

**STATE OF NEW
MEXICO
BERNALILLO COUNTY
METROPOLITAN
COURT**

FINANCIAL STATEMENTS

JUNE 30, 2009

Moss Adams LLP
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TABLE OF CONTENTS

STATE OF NEW MEXICO BERNALILLO COUNTY METROPOLITAN COURT

INTRODUCTORY SECTION

	Page
Official Roster.....	1
Organization Chart.....	2

FINANCIAL SECTION

Independent Auditors' Report.....	3
Management's Discussion and Analysis	6

Basic Financial Statements

Government-Wide Financial Statements	
Statement of Net Assets	14
Statement of Activities.....	15
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet - Governmental Funds.....	16
Reconciliation of the Balance Sheet to the Statement of Net Assets-Governmental Funds	17
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	18

TABLE OF CONTENTS

STATE OF NEW MEXICO BERNALILLO COUNTY METROPOLITAN COURT

Page

Basic Financial Statements (Continued)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities-Governmental Funds.....	19
Statement of Revenues and Expenditures Budget and Actual Major Budgeted Funds	
General Fund	20
Warrant Enforcement Fund	21
Parking Facility Fund	22
Mediation Fund.....	23
Fiduciary Fund Financial Statements	
Statement of Fiduciary Assets and Liabilities – Agency Funds	24
Notes to Financial Statements.....	25

SUPPLEMENTARY INFORMATION

Fiduciary Funds	43
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TABLE OF CONTENTS

STATE OF NEW MEXICO BERNALILLO COUNTY METROPOLITAN COURT

	Page
Combining Statement of Fiduciary Assets and Liabilities – All Agency Funds	44
Combining Schedule of Changes in Assets and Liabilities - All Agency Funds	46
OTHER INFORMATION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Financial Statements Performed in Accordance With <i>Government</i> <i>Auditing Standards</i>	47
Schedule of Findings and Responses	50
Exit Conference	51

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT**

Official Roster

June 30, 2009

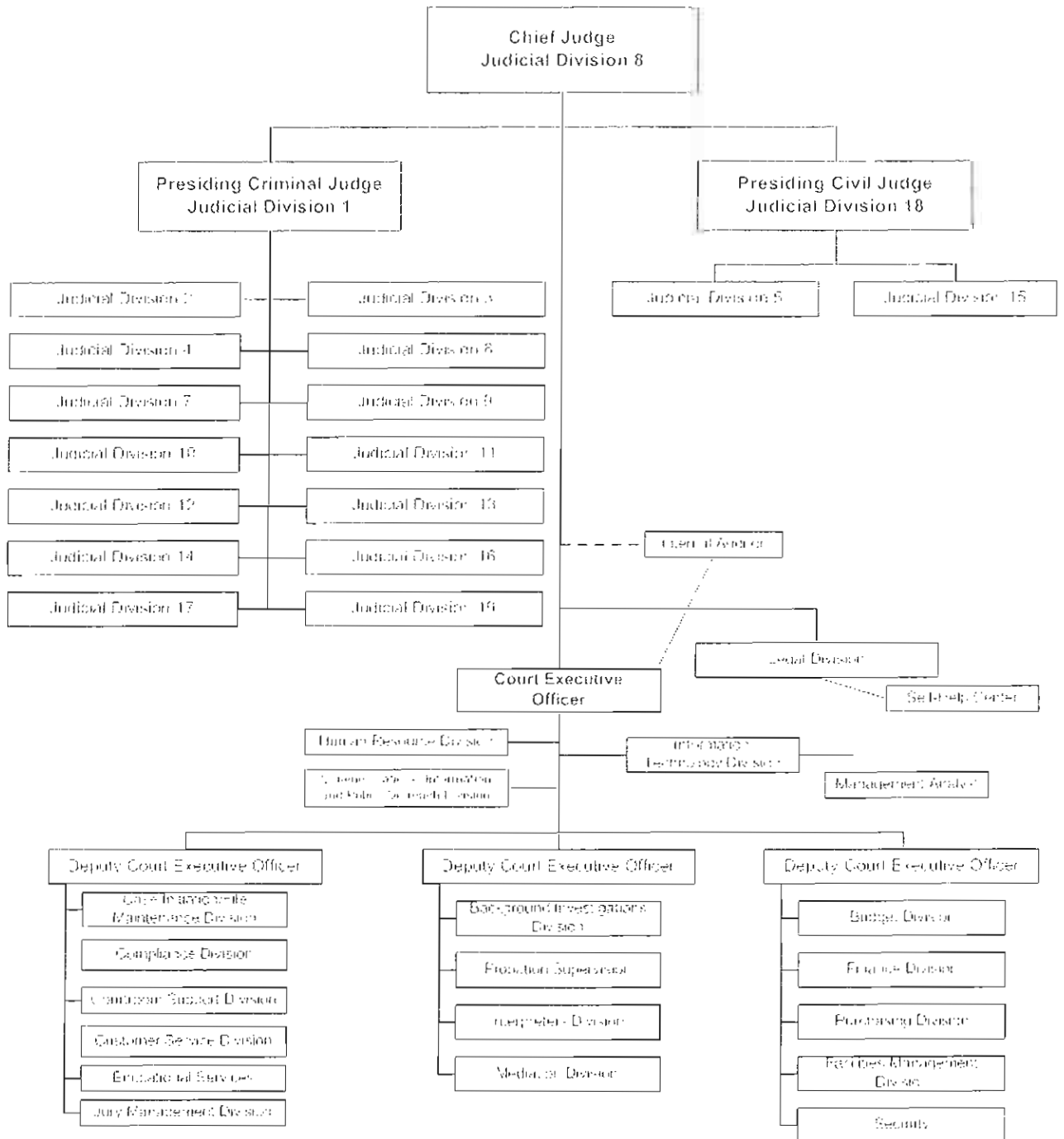
JUDGES

Name	Title
Honorable Judith K. Nakamura, Chief Judge	Division VIII
Honorable Victor E. Valdez	Division I
Honorable Kevin L. Fitzwater	Division II
Honorable Cristina Jaramillo	Division III
Honorable Julie N. Altwies	Division IV
Honorable Frank A. Sedillo	Division V
Honorable Maria I. Dominguez	Division VI
Honorable Sandra J. Clinton	Division VII
Honorable Victoria J. Grant	Division IX
Honorable Edward L. Benavidez	Division X
Honorable Sandra Engel	Division XI
Honorable Daniel E. Ramczyk	Division XII
Honorable Benjamin Chavez	Division XIII
Honorable Briana H. Zamora	Division XIV
Honorable Anna G. Martinez	Division XV
Honorable Sharon D. Walton	Division XVI
Honorable Rachel Walker	Division XVII
Honorable Rosie Lazcano Allred	Division XVIII
Honorable Linda S. Rogers	Division XIX

ADMINISTRATIVE OFFICIALS

Brian W. Gilmore	Court Executive Officer
Mary Louise "Maria" Romero	Deputy Court Executive Officer
James J. Stoker, Sr.	Deputy Court Executive Officer
Edward C. Prunier, Jr.	Deputy Court Executive Officer/ Chief Financial Officer

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 Organizational Structure
 July 1, 2009



Independent Auditors' Report

Honorable Judith K. Nakamura, Chief Judge
Bernalillo County Metropolitan Court

and

Mr. Hector H. Balderas,
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons of each major fund, and the aggregate remaining fund information of the State of New Mexico Bernalillo County Metropolitan 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 also have audited the financial statements of each of the Court's agency funds presented as supplementary information 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 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

Honorable Judith K. Nakamura, Chief Judge
Bernalillo County Metropolitan Court
and
Mr. Hector H. Balderas
New Mexico State Auditor

As discussed in Note 1, the financial statements of the Court are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund and aggregate remaining fund information of the State of New Mexico that is attributable to the transactions of the 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 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 Court as of June 30, 2009, and the respective changes in financial position and the respective budgetary comparisons for the major 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, each of the fiduciary funds of the Court as of June 30, 2009 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 November 30, 2009, on our consideration of the Court's internal control over financial reporting and 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 the 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 Audit Standards* and should be considered in assessing the results of our audit.

Honorable Judith K. Nakamura, Chief Judge
Bernalillo County Metropolitan Court
and
Mr. Hector H. Balderas
New Mexico State Auditor

The management's discussion and analysis on pages 6 through 13 are 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 primarily 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 that collectively comprise the Court's basic financial statements. The accompanying Combining Schedule of Changes in Assets and Liabilities – All Agency Funds is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Moss Adams LLP

Albuquerque, New Mexico
November 30, 2009

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Overview

The purpose of the Bernalillo County Metropolitan Court's Management's Discussion and Analysis (MD&A) is to (a) assist the reader in focusing on significant issues, (b) provide an overview of the Court's financial activity, (c) identify changes in the Court's financial position, (d) identify any material deviations from its approved budget and (e) identify fund issues or concerns.

Since the MD&A focuses on the current year's activities and changes, it should be read in conjunction with the Court's financial statements.

Financial Highlights

Case Filings

The Court continued to experience a high volume of citations and criminal and civil case filings during the fiscal year ended June 30, 2009, as the year saw a total of 126,829 case filings, 108,753 of which were criminal and 18,076 were civil.

Collections

The Court collected in excess of \$8.2 million in fines, fees and court costs during the fiscal year, of which approximately \$6.9 million was utilized by various state and local government agencies. Approximately \$1.3 million was collected per statutes NMSA 34-8A-12 for the Court's Warrant Enforcement and NMSA 35-6-1.E for the Court's Mediation Fund.

Bail Bond Postings

Approximately 22,700 cash, surety and property bail bonds totaling approximately \$62.7 million were posted at the Court. Cash bonds are deposited in trust with Wells Fargo by the Court and totaled \$1,573,359 as of June 30, 2009.

Capital Asset Activity

The Court experienced a decline of \$2,529,604 in the value of its capital assets in fiscal year 2009. The decrease is almost entirely attributable to the excess of depreciation and amortization expense over capital asset additions.

Specialty Court and Program Highlights

DWI/Drug Court Program

The Court's DWI/Drug Court Program continues to achieve commendable results since its inception in 1997. There were a total of 375 new participants enrolled in the program and 266 successful graduates during fiscal year 2009. The overall graduation rate was 69%. The program has a cumulative three year recidivism rate of 6.12%.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

The Urban Native American DWI/Drug Court, which offers culturally sensitive DWI and drug abuse services to the state's Native American population, had 46 participants in fiscal year 2009. The program, which was started by the Court in April 2004, remains the only one of its kind in the United States not located on tribal lands.

The Court's Co-Occurring Disorders Drug Court Program addresses the needs of defendants who suffer from a diagnosed mental disorder and have a substance abuse problem. There were 29 such individuals enrolled into the program in fiscal year 2009.

Homeless Court Program

The Court's innovative Homeless Court identifies and offers specialized court services to homeless offenders with the potential to again become law abiding members of the community. There were 97 participants referred to the Homeless Court program with 49 negotiated dismissals on non-record cases in fiscal year 2009.

Mental Health Court Program

The Court's Mental Health Court began in fiscal year 2005. This diversion program had enrolled or inducted 385 participants during fiscal year 2009. Additionally, the Mental Health Unit provided supervision to an average of 225 defendants undergoing competency determination and 39 offenders under post-conviction supervision who had received contracted case management services with the court. At any given time, the Mental Health Unit had an average of 57 cases under pre-trial supervision pending determination of eligibility for the Mental Health Court.

Domestic Violence Early Intervention Program

The Court's Early Prevention Program targets first time domestic violence offenders with the goal of preventing a recurrence of violence in the home. There were 288 new participants enrolled in the program during the fiscal year. There were 240 participants carried forward from the previous year resulting in a total population of 528 individual offenders served during the year.

Domestic Violence Repeat Offender Program

The Court's Domestic Violence Repeat Offender Program (DVROP) was created in fiscal year 2005 with the assistance of federal funding. Federal funding was replaced with general fund monies for fiscal year 2008. DVROP is designed to treat not only the offender, but the victim and children as well. For fiscal year 2009 there were 30 new enrollments and the program served a total of 54 participants representing a retention rate of 89%.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Community Service Program

Participation in the Court's Community Service Program may be mandated or elected by defendants lacking a means to pay assessed fines, fees and costs. During fiscal year 2009, there were 9,687 defendants sentenced to 234,007 hours of community service work, resulting in a benefit of \$1,205,136 for participating governmental and not-for-profit agencies both within and outside Bernalillo County.

Mediation Division

The Court's successful Mediation Division completed its 23rd year of service to the community in fiscal year 2009. The division significantly reduces the cost to the State of adjudicating civil matters by offering mediation to litigants. In the past fiscal year, approximately 600 cases were resolved through the Mediation Division, during which time more than 100 mediators volunteered approximately 3,000 hours to the Court. In addition, the Mediation Division has broadened its ability to resolve civil matters by both phone and mail, as well as by providing mediation by conference call to out-of-state litigants. The Mediation Division staff also provides significant assistance/coverage to the Court's Self-Help Office.

Financial Statements

Government-Wide Financial Statements

The government-wide financial statements, in their consolidation of all government activities into a single column, are designed to mimic corporate financial statements. The Statement of Net Assets like a corporate balance sheet, lists the Court's assets (both current and capital) and its liabilities as of the end of the fiscal year.

The Statement of Activities, like a corporate income statement, details the Court's revenues over the fiscal year and the costs and expenses associated with earning that revenue.

The Government Activities reflect the Court's basic service of collecting and optimizing revenues for its beneficiaries.

Fund Financial Statements

The Fund Financial Statements, whose focus is on major funds rather than fund types, presents a more familiar financial picture to users of government financial statements than do the government-wide statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

The government major fund statement utilizes the typical manner in which the financial plan or budget is developed, i.e., on a “sources and uses of liquid resources” basis. The flow and availability of liquid resources is a clear and appropriate focus for an analysis of any governmental agency. Funds are established for various purposes and the financial statement demonstrates respective sources and uses and/or budgeting compliance associated therewith.

The Governmental Fund Financial Statements address other Court funds. While these other funds represent trust responsibilities of the government, their assets are restricted in purpose and do not represent discretionary assets of the government. Accordingly, these particular assets are not presented as part of the Government-Wide Financial Statements.

Infrastructure Assets

The Court does not own any assets, e.g. roads and bridges that are classified as infrastructure assets.

Budgetary Comparisons

In addition to the MD&A, GASB 34 requires budgetary comparison schedules for the general fund and for each major special revenue fund. The budgetary comparison schedules should present both the original and the final appropriated budgets for the reporting period, as well as the actual inflows, outflows and balances, stated on the government’s budgetary basis.

The Statement of Revenues and Expenditures – Budget and Actual are also presented, pursuant to the requirements of the State Auditor and 2 NMAC 2.2. The data therein demonstrates compliance at the approved budget level.

The approved operating budget for fiscal year 2009 increased by \$1.42 million, or 5.4% over that of the preceding fiscal year. During the 2009 Regular Session, House Bill 10 was introduced and signed into statute to reduce certain General Fund appropriations for fiscal year 2009; the Court’s general fund operating budget was reduced by \$344,600. After the solvency reduction, the overall increase over the preceding year was \$1.07 million, or a 4.1% increase.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2009

Government-Wide Financial Analysis

Statement of Net Assets

	Government Activities FY 2008	Government Activities FY 2009	Total Percentage Change FY 08-09
Current assets	\$ 3,697,158	2,658,172	-28%
Capital assets less, accumulated depreciation	72,349,777	69,820,173	-3%
Total assets	<u>\$ 76,046,935</u>	<u>72,478,345</u>	<u>-5%</u>
Liabilities	<u>\$ 3,101,438</u>	<u>2,354,899</u>	<u>-24%</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 72,349,777	69,820,173	-3%
Unrestricted	595,720	303,273	-49%
Total net assets	<u>\$ 72,945,497</u>	<u>70,123,446</u>	<u>-4%</u>

Current assets decreased in part due to cash that was used to reduce liabilities and in part due to the collection of grants receivable.

Capital assets, net of accumulated depreciation, decreased by \$2,529,604. The investment in capital assets increased by \$362,076, primarily in machinery, equipment and buildings – however, it was more than offset by (\$2,891,680) of depreciation expense during the same period.

The Court's liability for unpaid compensated absences payable increased to \$875,654 during the year ended June 30, 2009, as a result of more leave accrued than taken.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Statement of Activities

The following schedule presents the revenues and expenses for the fiscal years 2008 and 2009.

	Government Activities FY 2008	Government Activities FY 2009	Total Percentage Change FY 08-09
Expenses			
Judiciary	\$ (28,525,854)	(29,523,941)	3%
Program revenues	<u>4,173,002</u>	<u>3,361,469</u>	-19%
Net (expenses) revenues	<u>(24,352,852)</u>	<u>(26,162,472)</u>	7%
General revenues and (expenses)			
General fund appropriation	21,855,388	23,527,700	7%
Transfers	<u>(89,648)</u>	<u>(187,279)</u>	57%
Total general revenues and transfers	<u>21,765,740</u>	<u>23,340,421</u>	7%
Change in net assets	(2,587,112)	(2,822,051)	9%
Net assets, beginning	<u>75,532,609</u>	<u>72,945,497</u>	-3%
Net assets, ending	<u>\$ 72,945,497</u>	<u>70,123,446</u>	-4%

Program revenues declined primarily due to a reduction in grants and fees between years.

For more detailed information see page 15 of the Statement of Activities.

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2009**

The Court's Funds

Government Funds

As of June 30, 2009, the government funds (as presented on the balance sheet) reported a fund balance of \$1,178,927, of which \$850,210 relates to the Warrant Enforcement Fund; \$53,122 to the Parking Facility Fund and \$275,595 to the Mediation Fund. These fund balances are set aside for future expenditures in the respective areas and may be appropriated in the future.

The following schedule presents the final budget for the general fund as of June 30, 2009:

	Final Budget	Actual Expenditures	Favorable Variance
Personal Services			
& Employee Benefits	\$ 19,314,444	19,221,246	93,198
Contractual Services	2,718,100	2,694,603	23,497
Other Costs	2,929,334	2,919,254	10,080
	<u>\$ 24,961,878</u>	<u>24,835,103</u>	<u>126,775</u>

The Court reverted \$81,174 in unexpended General Funds including \$27,488 attributable to the early termination of an IGA where funds could not be reallocated for any other use. The Court's total FY09 reversion will be \$140,367 which includes that above as well as two FY04 liabilities whose balances are no longer required.

Budgetary Highlights

Significant variations between original and final budget:

During FY09, the budget's overall growth increased by \$1.07 million. Most of the increase is attributed to the legislated compensation package and the replacement of expired grant funding with General Fund. The Legislature approved the continuation of the Mental Health Court and its 2 FTE and of the Traffic Safety Bureau (TSB) First Offender Program and its 7 FTE with general fund appropriations. Two staff, the storekeeper and maintenance worker, were reclassified from TERM to PERM status with no fiscal impact.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

During fiscal year 2009, the grant budgets decreased from previous years. The Court received a continuation of funding from the TSB First Offender Program and received an extension of the term for the Department of Justice Mental Health program which expired December 31, 2008. The Bernalillo County grant for DWI Screening and Tracking Program funding was not continued. All of the grants primarily funded the personal services and employee benefits of the associated staff managing the programs.

There were increases from fund balance for the Court's non-reverting Parking Facility Fund. These were necessary to assure that the budget authority needed to complete the retail space in the parking garage structure, fund all contracts and to complete the discretionary \$10,000 operating transfer to the Administrative Office of the Court's Court Facilities Fund as an additional contribution towards payment of the revenue bonds issued in the development and construction of the Court complex.

The DWI ADE Tracking grant with Bernalillo County expired in FY08. As approved by the Legislature for FY09 funding, the Court replaced the lapsing grant funds with revenues collected from the In-house Screening fee to fund 1 TERM FTE in order to maintain these tracking activities.

Anticipated Changes

The Traffic Safety Bureau federal funding of the two year pilot program to monitor first time driving-while-intoxicated offenders will expire at the 2010 federal fiscal year end. The project's budget is for personal services and employee benefits to expand the total staff by 2 for a total of 9 members. Starting in FY09, the Legislature approved general fund replacement for lapsing federal funds of the 7 staff members.

Legislative action taken during the 2009 First Special Legislative Session includes a Mediation Fund balance transfer of \$100,000 and a Warrant Enforcement Fund balance transfer of \$150,000 to the General Fund as a one-time reversion. Additionally, the Court has been reduced 2% of General Fund from FY10's operating budget which equates to \$463,200.

Financial Contact

The Court's financial statements are designed to present users with the general overview of the court's finances and to demonstrate the Court's accountability. If you have questions about the report or need additional financial information, contact the Court's Chief Financial Officer at P.O. Box 133, Albuquerque, New Mexico 87103.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 STATEMENT OF NET ASSETS
 June 30, 2009

Governmental
 Activities

ASSETS

Current Assets	
Petty cash	\$ 4,150
Interest in State General Fund Investment Pool	2,350,290
Fines and fees receivable, net	46,879
Grants and contracts receivable	256,853
Total current assets	<u>2,658,172</u>
Capital assets	
Land	6,640,478
Capital assets being depreciated	63,179,695
Total capital assets, net of accumulated depreciation	<u>69,820,173</u>
Total assets	<u>72,478,345</u>

LIABILITIES

Current Liabilities	
Accounts payable	408,206
Accrued payroll and related taxes	932,121
Due to State General Fund	138,918
Compensated absences payable	875,654
Total current liabilities	<u>2,354,899</u>

NET ASSETS

Invested in capital assets	69,820,173
Unrestricted	303,273
Total net assets	<u>\$ 70,123,446</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 STATEMENT OF ACTIVITIES
 Year Ended June 30, 2009

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants	Governmental Activities
Governmental Activities				
Judicial	\$ 28,790,872	1,766,188	826,950	(26,197,734)
Preventative programs	109,304	-	109,304	-
Parking facility operations	602,568	571,263	-	(31,305)
Mediation	21,197	87,764	-	66,567
Total governmental activities	29,523,941	2,425,215	936,254	(26,162,472)
General Revenues and Transfers				
State General Fund appropriation - 2009				23,527,700
Reversion to State General Fund - 2009				(81,174)
Reversion to State General Fund - prior years				(59,193)
Transfer out - other state agencies				(46,912)
Total general revenues				23,340,421
Change in net assets				(2,822,051)
Net assets, beginning				72,945,497
Net assets, ending				\$ 70,123,446

See Notes to Financial Statements.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2009

	General Fund	Warrant Enforcement Fund	Parking Facility Fund	Mediation Fund	Total Governmental Funds
ASSETS					
Current Assets					
Petty cash	\$ 4,150	-	-	-	4,150
Interest in State General Fund Investment Pool	887,107	1,125,123	44,441	293,619	2,350,290
Fines and fees receivable, net	1,476	-	45,403	-	46,879
Grant and contracts receivable	256,853	-	-	-	256,853
Total assets	\$ 1,149,586	1,125,123	89,844	293,619	2,658,172
LIABILITIES AND FUND BALANCES					
Liabilities					
Vouchers and accounts payable	\$ 325,697	45,329	36,701	479	408,206
Accrued payroll and taxes	684,971	229,584	21	17,545	932,121
Due to State General Fund	138,918	-	-	-	138,918
Total liabilities	1,149,586	274,913	36,722	18,024	1,479,245
Fund Balances					
Reserved for petty cash	4,150	-	-	-	4,150
Unreserved, designated (deficit) for subsequent year's expenditures	(4,150)	850,210	53,122	275,595	1,174,777
Total fund balances	-	850,210	53,122	275,595	1,178,927
Total liabilities and fund balances	\$ 1,149,586	1,125,123	89,844	293,619	2,658,172

See Notes to Financial Statements.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 RECONCILIATION OF THE BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 GOVERNMENTAL FUNDS
 June 30, 2009

Total fund balances - governmental funds \$ 1,178,927

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

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

Land	\$ 6,640,478
Machinery and equipment	3,524,487
Building, land and parking facility	76,733,064
Accumulated depreciation	<u>(17,077,856)</u>

Total capital assets, net of accumulated depreciation 69,820,173

Some liabilities are not due and payable in the
 current period and therefore are not reported in
 the governmental funds

Compensated absences payable	<u>(875,654)</u>
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Net assets of governmental activities \$ 70,123,446

See Notes to Financial Statements.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
Year Ended June 30, 2009

	General Fund	Warrant Enforcement Fund	Parking Facility Fund	Mediation Fund	Total Governmental Funds
Revenues					
Fines and fees	\$ 548,426	1,217,762	571,263	87,764	2,425,215
Grants and contracts	936,256	-	-	-	936,256
Total revenues	1,484,682	1,217,762	571,263	87,764	3,361,471
Expenditures general government - judiciary					
Current					
Personal services	13,708,023	784,639	-	-	14,492,662
Employee benefits	5,513,223	327,134	-	-	5,840,357
In-state travel	9,646	-	-	-	9,646
Maintenance and repairs	981,158	2,160	80,170	598	1,064,086
Supplies and materials	417,706	13,894	2,798	4,397	438,795
Contractual services	2,694,603	203,574	413,378	515	3,312,070
Operating costs	1,169,182	29,503	106,222	13,648	1,318,555
Other costs	6,835	-	-	-	6,835
Out-of-state travel	15,245	-	-	2,039	17,284
Capital outlay	319,482	-	42,594	-	362,076
Total expenditures	24,835,103	1,360,904	645,162	21,197	26,862,366
Excess (deficiency) of revenues over expenditures	(23,350,421)	(143,142)	(73,899)	66,567	(23,500,895)
Other financing sources (uses)					
State General Fund appropriation	23,527,700	-	-	-	23,527,700
Transfer out - other state agencies	(36,912)	-	(10,000)	-	(46,912)
Reversion to State General Fund - 2009	(81,174)	-	-	-	(81,174)
Reversion to State General Fund - prior years	(59,193)	-	-	-	(59,193)
Total other financing sources (uses)	23,350,421	-	(10,000)	-	23,340,421
Net change in fund balances	-	(143,142)	(83,899)	66,567	(160,474)
Fund balances, beginning	-	993,352	137,021	209,028	1,339,401
Fund balances, ending	\$ -	850,210	53,122	275,595	1,178,927

See Notes to Financial Statements.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCES
 OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
 Year Ended June 30, 2009

Net change in fund balances (Statement of Revenues,
 Expenditures and Changes in Fund Balances) \$ (160,474)

Amounts reported for governmental activities in the
 Statement of Activities are different for the year
 ended June 30, 2009 because

In the Statement of Activities, certain operating expenses -
 compensated absences payable - are measured by the
 amounts earned during the year. In the Governmental
 Funds, however, expenditures are measured by the
 amount of financial resources used (essentially the
 amounts actually paid). The increase in the liability
 for the year was (131,973)

The Governmental Funds report capital outlays as
 expenditures. However, in the Statement of Net Assets
 the cost of capital assets is allocated over their estimated
 useful lives and reported as depreciation expenses. In the
 current year, these amounts were

Capital outlay expenditures which were capitalized	\$ 362,076	
Depreciation	<u>(2,891,680)</u>	
Excess of depreciation over capital outlay		<u>(2,529,604)</u>
Change in net assets of governmental activities (Statement of Activities)		<u>\$ (2,822,051)</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
MAJOR BUDGETED FUNDS
Year Ended June 30, 2009

	General Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ 847,900	846,248	826,950	(19,298)
Charges for services	41,400	61,200	62,641	1,441
Grants	243,200	155,730	109,306	(46,424)
Other	-	12,000	61,161	49,161
Total revenues	1,132,500	1,075,178	1,060,058	(15,120)
Expenditures				
Personal services/employee benefits	19,576,100	19,314,444	19,221,246	93,198
Contractual services	2,937,900	2,718,100	2,694,603	23,497
Other costs	2,858,400	2,929,334	2,919,254	10,080
Total expenditures	25,372,400	24,961,878	24,835,103	126,775
Excess (deficiency) of revenues over expenditures	(24,239,900)	(23,886,700)	(23,775,045)	111,655
Other financing sources (uses)				
State general fund appropriations	23,871,900	23,527,700	23,527,700	-
Reversions	-	-	(140,367)	(140,367)
Other financing sources - fines and fees	433,300	423,400	424,624	1,224
Other financing uses	(65,300)	(64,400)	(36,912)	27,488
Total other financing sources (uses)	24,239,900	23,886,700	23,775,045	(111,655)
Net change in fund balance	\$ -	-	-	-

See Notes to Financial Statements.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 MAJOR BUDGETED FUNDS (CONTINUED)
 Year Ended June 30, 2009

	Warrant Enforcement Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ -	-	-	-
Charges for services	1,496,500	1,496,500	1,217,762	(278,738)
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	1,496,500	1,496,500	1,217,762	(278,738)
Expenditures				
Current				
General government				
Personal services/employee benefits	1,166,600	1,166,600	1,111,773	54,827
Contractual services	285,800	265,800	203,574	62,226
Other costs	44,100	64,100	45,557	18,543
Total expenditures	1,496,500	1,496,500	1,360,904	135,596
Excess of revenues over expenditures	-	-	(143,142)	(143,142)
Other financing sources				
State general fund appropriations	-	-	-	-
Transfer out to Capital Projects Fund	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	-	(143,142)	(143,142)

See Notes to Financial Statements.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 MAJOR BUDGETED FUNDS (CONTINUED)
 Year Ended June 30, 2009

	Parking Facility Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ -	-	-	-
Charges for services	-	-	-	-
Grants	-	-	-	-
Other	672,500	672,500	571,263	(101,237)
Total revenues	<u>672,500</u>	<u>672,500</u>	<u>571,263</u>	<u>(101,237)</u>
Expenditures				
Current				
General government				
Personal services/employee benefits	-	-	-	-
Contractual services	398,900	451,900	413,378	38,522
Other costs	273,600	250,600	231,784	18,816
Total expenditures	<u>672,500</u>	<u>702,500</u>	<u>645,162</u>	<u>57,338</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(30,000)</u>	<u>(73,899)</u>	<u>(43,899)</u>
Other financing sources				
State general fund appropriations	-	-	-	-
Other financing uses	-	(10,000)	(10,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Cash balance required to balance budget	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>(83,899)</u>	<u>(43,899)</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 MAJOR BUDGETED FUNDS (CONTINUED)
 Year Ended June 30, 2009

	Mediation Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ -	-	-	-
Charges for services	36,800	36,800	87,764	50,964
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	36,800	36,800	87,764	50,964
Expenditures				
Current				
General government				
Personal services/employee benefits	-	-	-	-
Contractual services	3,000	3,000	515	2,485
Other costs	33,800	33,800	20,682	13,118
Total expenditures	36,800	36,800	21,197	15,603
Excess (deficiency) of revenues over expenditures	-	-	66,567	66,567
Other financing sources				
State general fund appropriations	-	-	-	-
Other financing sources	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	-	66,567	66,567

See Notes to Financial Statements.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
 June 30, 2009

	Agency Funds
ASSETS	
Interest in State General Fund Investment Pool	\$ 5,347
Cash on deposit in banks	<u>1,745,753</u>
Total assets	<u><u>\$ 1,751,100</u></u>
LIABILITIES	
Deposits held for others	\$ 1,745,753
Due to the State of New Mexico General Fund	<u>5,347</u>
Total liabilities	<u><u>\$ 1,751,100</u></u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES**

Bernalillo County Metropolitan Court (Court) was established by laws of 1979, Chapter 346, Section 13, effective July 1, 1980. It is a state metropolitan court with jurisdiction enumerated in Section 34-8A-1 through 34-8A-13, NMSA, 1978 Compilation. The Judges of the Court appoint a Court Executive Officer who is responsible to the Chief Judge. The Court is an agency of the judicial division of state government.

A. Financial Reporting Entity

In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units in the reporting entity by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Applying this criteria, there are no component units.

B. Basic Financial Statements

The basic financial statements include both government-wide (based on the Court as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. The Court has no business type activities. In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reflected on the full accrual, economic resource basis, which incorporates long term assets and receivable as well as long-term liabilities and obligations. These statements include the financial activities of the overall government, except for fiduciary activities.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)**

B. Basic Financial Statements (Continued)

The government-wide Statement of Activities reflects both the gross and net cost per functional category which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses by related program revenues, operating and contributions and capital grants and contributions. Eliminations are made to remove the "doubling-up" effect of activity between funds. The Court includes all operating grants and contributions. The program revenues must be directly associated with the function. The Court includes only two functions (judicial services and parking revenue).

The net cost by function is normally covered by general revenue. Historically, the previous model did not summarize or present net cost by function or activity. Since the Court only has one program, it does not employ indirect cost allocation in the financial statements.

This government-wide focus is more on the sustainability of the Court as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. When an expense is incurred for purposes which both restricted and unrestricted net assets are available, the Court uses restricted resources then unrestricted resources. Program revenues include charges for services such as court fines and fees and operating grants related to specific program activities. As to fund financial statements, emphasis is on the major funds of the governmental category.

The governmental funds in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed more appropriate to demonstrate legal and covenant compliance, to demonstrate the source and use of liquid resources and to demonstrate how the Courts' actual experience conforms with the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government wide statements governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

As permitted by GASB Statement No. 20, the Court has elected not to apply pronouncements of the Financial Accounting Standards Board (FASB) issued subsequent to November 30, 1989.

The Courts' fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party or specific purpose and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)**

B. Basic Financial Statements (Continued)

The focus is on the Court as a whole and the fund financial statements, including the major individual funds of the governmental category, as well as the fiduciary funds by type.

C. Basis of Presentation

The financial transactions of the Court are recorded in individual funds, 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 balance, revenues, expenditures or expenses and other financing sources or uses. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The new model sets forth the minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category or the governmental and enterprise combines) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The following fund types are used by the Court:

GOVERNMENTAL FUND TYPES

All governmental fund types are accounted for on a spending or financial flow measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Due to its spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

General Fund. The General Fund is the general operating fund of the Court. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is funded primarily by appropriations from the State of New Mexico General Fund. This Fund is reverting.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

Capital Projects Fund. This Fund accounts for the resources used to construct the new Court building and parking facility. This construction is funded by revenue bonds issued by the New Mexico Finance Authority, funds transferred in from the Administrative Office of the Courts and appropriations from the State of New Mexico General Fund. This Fund is non-reverting and had no activity or balances to report for the year end, June 30, 2009. SHARE Fund number is 03700.

Special Revenue Fund - Warrant Enforcement Fund. This Fund accounts for fees assessed which are 'appropriated for the primary purpose of employing personnel and purchasing equipment and services to aid in the collection of fines, fees or costs owed to the Court' pursuant to Section 34-8A-12, NMSA 1978 Compilation. This Fund is non-reverting. SHARE Fund number is 69300.

Special Revenue Fund – Metropolitan Parking Facilities. To administer and manage the Metropolitan Parking Facility adjacent to the Bernalillo County Metropolitan Court in Albuquerque, NM in accordance with provisions set out in House Bill 217, 44th Legislature State of NM Second Session 2000, Chapter 5, Section 1. This fund is included as a major fund at management's discretion. This Fund is non-reverting. SHARE Fund number is 72900.

Special Revenue Fund - Mediation Fund. To account for monies on deposit with the NM State Treasurer that are appropriated by the NM State Legislature and are received from the collection of a \$5 mediation fee on all civil filings "for the purpose of funding and administering voluntary mediation programs established by Court rule for the efficient disposition of small claims and specified criminal complaints", pursuant to NM State Statute Section 34-8A-10, NMSA 1978 Compilation. This fund is included as a major fund at management's discretion. This Fund is non-reverting. SHARE Fund number is 93000.

AGENCY FUNDS

Fiduciary Funds (Agency Funds) are used to account for funds that are disbursed to the State of New Mexico General Fund or directly to state agencies as per state statute. The Court has no budgetary control over these funds and acts solely as an agent. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

D. Non-Current Governmental Assets/Liabilities

Such information is incorporated into the Governmental column in the government-wide Statement of Net Assets.

E. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements and the fiduciary financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis. Under the accrual method of accounting revenues are recognized when earned and expenditures are recognized when incurred.

All governmental funds utilize the modified accrual basis of accounting. Under this method, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the current fiscal period; available meaning collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period.

Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other state and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

Expenditures are recorded as liabilities when incurred. An exception to this general rule is that accumulated unpaid annual, compensatory and certain sick leave are not accrued as current liabilities but as non-current liabilities. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)**

E. Basis of Accounting (Continued)

The Court, records fine and fee revenue when received in its agency funds as estimating amounts due, but not collected, is not feasible. In the entity wide statements, amounts collected in the agency funds are recorded as receivables.

F. Budgets and Budgetary Accounting

The State Legislature provides annual appropriations to the Court, which lapse at fiscal year-end. Legal compliance is monitored through the establishment of a budget (modified cash-basis) and a financial control system which permits a budget to actual expenditure comparison. Expenditures may not legally exceed appropriations for each budget at the appropriation unit level. Budgeted appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration within the limitations as specified in the General Appropriations Act. The budget amounts shown in the financial statements are the final authorized amounts as legally revised during the year.

The Court follows these procedures in establishing the budgetary data reflected in the financial statements:

1. No later than September 1, the Court submits to the Legislative Finance Committee (LFC), and the Budget Division of the Department of Finance and Administration (DFA), an appropriation request for the fiscal year commencing the following July 1. The appropriation request includes proposed expenditures and the means of financing them.
2. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcome of those hearings are incorporated into the State of New Mexico's General Appropriations Act.
3. The Act is signed into Law by the Governor of the State of New Mexico within the legally prescribed time limit, at which time the approved budget becomes a legally binding document.
4. Not later than May 1, the Court submits to DFA an annual operating budget by appropriation unit and object code based upon the appropriation made by the Legislature. The DFA-Budget Division reviews and approves the operating budget which becomes effective on July 1.

All subsequent budgetary adjustments must be approved by the Director of the DFA-Budget Division and LFC.

5. Legal budget control for expenditures is by category of appropriation unit.

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2009**

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgets and Budgetary Accounting (Continued)

- 6. Formal budgetary integration was employed as a management control device during the fiscal year for the General Fund, and Special Revenue Funds.
- 7. The budgets for the General Fund and Special Revenue Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America (GAAP), (see General Appropriations Act, Laws of 2006, Chapter 109, Section 3, Subsections O and N) except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline (Section 6-10-4 NMSA 1978) that must be paid out of the next year’s budget. A reconciliation of budgetary basis GAAP basis will be necessary if any accounts payable at the end of the fiscal year are not paid by the statutory deadline. The Court has not included such reconciliation for fiscal year 2009 as all payables were paid by the statutory deadline.
- 8. Appropriations lapse at the end of the fiscal year. The Court General Fund reverts to the State General Fund, but the Mediation, Parking and Warrant Enforcement Special Revenue Funds are non-reverting funds.

G. Compensated Absences

Qualified employees accumulate annual leave as follows:

Years of Service	Hours Earned Per Pay Period	Hours of Maximum Accrual
1 month – 3 years	4.62	240
Over 3-7 years	5.54	240
Over 7-14 years	6.46	240
Over 14 years/beyond	7.39	240

Two hundred forty (240) hours of accrued annual leave may be carried forward into the beginning of the next calendar year, and any excess is forfeited. When employees terminate, they are compensated for accumulated annual leave as of the date of termination, up to a maximum of two hundred forty (240) hours.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (CONTINUED)

G. Compensated Absences (Continued)

Employees who have over 600 hours of accumulated sick leave can receive payment for hours over 600, up to 120 hours, on July 1 or January 1 of each year. However, sick leave is paid at 50% of the employee's regular hourly wage. At retirement, employees can receive 50% payment for up to 400 hours for the hours over 600 hours of accumulated sick leave. Therefore, the only sick leave which has been accrued represents the hours earned at June 30, 2009, over 600 hours. Expenditures for accumulated sick pay for hours under 600 hours will be recognized as employees take such absences.

The accrual for compensated absences is calculated at pay rates in effect at June 30, 2009, and include direct and incremental salary-related payments such as the employer's share of social security taxes.

Accrued annual leave and vested sick pay are recorded as a current liability in the Government-wide financial statements. Compensated absences are typically paid out of the General Fund.

H. Reservations and Designations

Reservations of fund balance in the governmental fund statements are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriated for future expenditures. Specific reservations of fund balance accounts are summarized below:

Reserved for Petty Cash. This reserve was created to represent petty cash outstanding at year-end and includes cashiers tills for the Court's customer service division.

I. Net Assets

The government-wide and business types Fund Financial Statements utilize a net asset presentation. Net Assets are categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Restricted Assets – are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory, bond covenant or granting agency) limitations on their use.

Unrestricted Assets – represent unrestricted liquid assets. The Court allocates expenses to restricted or unrestricted resources based on the budgeted source of funds.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Net Assets (Continued)

Invested in Capital Assets (net of related debt)-is intended to reflect the portion of net assets which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. The Court has no debt.

J. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Capital Assets

All capital assets acquired for general governmental purposes are reported as capital outlay expenditures in the fund that finances the asset acquisition and are capitalized in the Statement of Net Assets. Assets are capitalized by the Court if the cost is more than \$5,000. All purchased capital assets are valued at cost. Donated capital assets are valued at their fair market value on the date donated. Software is included in the machinery and equipment category on the statement of net assets. The Court has no infrastructure assets. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives on capital assets as follows:

Machinery and equipment	3-7 years
Vehicles	5 years
Software	3-5 years
Building and parking facility	30 years

L. Allowance for Doubtful Accounts

Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. As of June 30, 2009 the Parking Fund had \$37,056 deemed uncollectible and other receivable balances are considered collectible.

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2009**

**NOTE 2. CASH ACCOUNTS AND INTEREST IN STATE TREASURER
 INVESTMENT POOL POLICY**

The following is a summary of the Court’s interest in the New Mexico State General Fund investment pool:

	SHARE Number	Investment Pool Amount
General Fund		
Operating Account	15400	\$ 887,107
Special Revenue Funds		
Mediation Fund	93000	293,619
Warrant Enforcement Fund	69300	1,125,123
Parking Facility Fund	72900	<u>44,441</u>
Total - governmental		<u>2,350,290</u>
Agency Funds		
Refund Suspense Fund	82400	<u>5,347</u>
Total - agency funds		<u>5,347</u>
Total interest in the State Treasurer investment pool		<u>\$ 2,355,637</u>

All funds allotted to the Court are held by the New Mexico State Treasurer. There were no reconciling items at year end. Deposits are non-interest bearing. Money deposited with the State Treasurer is pooled and invested by the State Treasurer and are not rated. The State Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$250,000 in insurance coverage provided by federal agencies. Accordingly, the State Treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50% to 102% of the par value of the investment dependent upon the institutions operating results and capital. Collateral for the fiscal account is required in amounts equal to 50% of the average investment balance. Separate financial statements of the State Treasurer indicate collateral categories of risk and market value of purchased investments. All collateral is held in third-party safekeeping. These same requirements apply to the Court’s cash deposits.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2009

**NOTE 2. CASH ACCOUNTS AND INTEREST IN STATE TREASURER
 INVESTMENT POOL POLICY (CONTINUED)**

The following is a listing of the Court's deposits of public monies grouped by depository financial institution as of June 30, 2009. Deposits were fully insured by the Federal Deposit Insurance Corporation (FDIC) under the Transaction Account Guarantee Program.

	Bank Account Type	Bank Amount
Wells Fargo Bank		
Cash Bail Bond	Checking	\$ 1,573,359
Crime Lab	Checking	26,117
Corrections fees	Checking	34,759
Parking Facility	Checking	4,762
Fiscal Agency (Civil)	Checking	175,441
Civil Trust	Checking	<u>36,339</u>
Total demand deposits		1,850,777
FDIC coverage		<u>(1,850,777)</u>
Uninsured balance		<u><u>\$ -</u></u>

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2009

**NOTE 2. CASH ACCOUNTS AND INTEREST IN STATE TREASURER
 INVESTMENT POOL POLICY (CONTINUED)**

Reconciled amount by fund per financial statements at June 30, 2009, is as follows:

General Fund	
Operating account	\$ 887,107
Special Revenue Funds	
Warrant Enforcement Fund	1,125,124
Mediation Fund	293,619
Parking Facility Fund	<u>44,440</u>
Total investment in State General Fund	
Investment Pool per Statement of Net Assets	<u>2,350,290</u>
Fiduciary Funds	
Wells Fargo checking accounts	1,850,777
Interest in State General Fund Investment Pool	<u>5,347</u>
	<u>1,856,124</u>
Total investment in State General Fund Investment	
Pool and banks, per financial statements	4,206,414
Add: Outstanding checks and other reconciling	
items - net	<u>(105,024)</u>
Total investment in State General Fund Investment	
Pool and banks	<u>\$ 4,101,390</u>

NOTE 3. OUTSTANDING JUDGMENTS

A. Potential Fine and Fees Receivable

At June 30, 2009 and in prior years, the Court had different classifications of fines and fees receivable. For cases not heard yet, standard costs and fines potentially may apply. However, these fines and costs are a matter of judicial discretion and are not considered to be readily determinable until the case is heard. For cases, which have been heard, there is a determinable amount, which is due. However, the collectability of these amounts is not certain and, in the event of reconsideration or default, may be converted to jail time, community service, waived or reduced, as the Judge determines. Therefore, no fines and fees receivable and no provision for uncollectable fines and fees receivable has been made.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2009

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2009 is as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Court capital assets not being depreciated				
Land	\$ 6,640,478	-	-	<u>6,640,478</u>
Court depreciable capital assets				
Machinery, equipment and vehicles	3,260,191	264,296	-	3,524,487
Building and parking facility	<u>76,635,284</u>	<u>97,780</u>	-	<u>76,733,064</u>
Total depreciable assets	<u>79,895,475</u>	<u>362,076</u>	-	<u>80,257,551</u>
Accumulated depreciation				
Machinery, equipment and vehicles	(2,940,789)	(261,202)	-	(3,201,991)
Building	<u>(11,245,387)</u>	<u>(2,630,478)</u>	-	<u>(13,875,865)</u>
Accumulated depreciation	<u>(14,186,176)</u>	<u>(2,891,680)</u>	-	<u>(17,077,856)</u>
Total capital assets, net of accumulated depreciation	<u>\$ 72,349,777</u>	<u>(2,529,604)</u>	-	<u>69,820,173</u>

Depreciation expense for the year ended June 30, 2009 was \$2,891,680 which was all charged to the general government function in the Statement of Activities.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2009

NOTE 5. COMPENSATED ABSENCES PAYABLE

A summary of changes in the compensated absences payable for the year ended June 30, 2009 is as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due After One Year
Compensated absences					
Accrued annual leave	\$ 704,854	933,109	(778,842)	859,121	-
Accrued sick leave	38,827	458,120	(481,414)	15,533	-
	<u>\$ 743,681</u>	<u>1,391,229</u>	<u>(1,260,256)</u>	<u>875,654</u>	<u>-</u>

Substantially all of the compensated absences have been paid by the General Fund in prior years. The amount of compensated absences is calculated by multiplying the vested hours by the pay rate at year-end plus applicable payroll taxes.

NOTE 6. RETIREMENT PLANS

The Court contributes to two defined benefit cost-sharing multiple employer public retirement systems through the Public Employees' Retirement Act (PERA).

Employees Other Than Judges

Plan Description. All of the 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, PO Box 2123, Santa Fe, New Mexico 87504-2123.

Funding Policy. Plan members are required to contribute 7.42% of their gross salary. The Court is required to contribute 16.59% of the gross covered salary. The contribution requirements of plan members and the Court are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the state legislature. The Court's contributions to PERA for the years ended June 30, 2009, 2008, and 2007 were \$2,035,049, \$1,955,177 and \$1,813,558, respectively, equal to the amount of the required contributions for each year.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 6. RETIREMENT PLANS (CONTINUED)

Judges

Plan Description. Substantially all of the Court's Judges participate in a public employee retirement system (Judicial Retirement Fund) authorized under the Public Employees Retirement Act (Chapter 10, Article 12B, 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, and cost-of-living adjustments to plan members and beneficiaries. Eligibility for membership in the Judicial Retirement Fund is set forth in 10-12B-4 NMSA 1978. Every judge or justice becomes a member in the Judicial Retirement Fund upon election or appointment to office, unless an application for exemption has been appropriately filed or unless specifically excluded.

Benefits are available at age 64 or older to anyone having served a minimum of five years and at age 60 to anyone having served at least 15 years. The annual pension amount for those members covered prior to July 1, 1980, is determined as 75% of the salary received during the last year in office prior to retirement multiplied by the number of years of service, not to exceed 10 years divided by 10. For those individuals who became members subsequent to July 1, 1980, the annual pension amount is determined as 75% of salary received during the last year in office prior to retirement multiplied by 5% of the number of years in service, not exceeding fifteen years, plus five years. Early retirement provisions apply to members retiring between ages 50 and 60. The plan also provides for survivors' allowances and disability benefits. 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, PO Box 2123, Santa Fe, New Mexico 87504-2123.

Funding Policy. Each magistrate or metropolitan court clerk shall take the sum of twenty-five dollars (\$25.00) from each civil case docket fee paid in that Court and ten dollars (\$10.00) for each civil jury fee paid in that Court for credit to the fund. Also, plan members are required to contribute 6.5% of their gross salary. The Court is required to contribute 12% of the gross covered salary. The Court's contributions to the Plan for the years ended June 30, 2009, 2008 and 2007 were \$240,289, \$245,290 and \$209,792 respectively, equal to the amount of the required contributions for each year.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 7. POST-EMPLOYMENT BENEFITS

Plan Description. The Court contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post employment 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). 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 post employment 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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 7. POST-EMPLOYMENT BENEFITS (CONTINUED)

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.

For the fiscal year ended June 30, 2009, the Court remitted \$183,292 in employer contributions and \$91,646 in employee and judges contributions to the Retiree Health Care Authority.

NOTE 8. INSURANCE COVERAGE

The Court obtains coverage through 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 of a \$5,000,000 coverage limit with a \$1,000 deductible per occurrence by the State of New Mexico for the period July 1, 2008 through June 30, 2009.

NOTE 9. OPERATING LEASE COMMITMENTS

The Court is committed under various leases for a building used for Court-mandated schools and for equipment. These leases are considered operating leases, and are written with an escape clause in the event of non-appropriation of adequate funds. Expenditures under such leases amounted to \$175,051 for the year ended June 30, 2009. Future minimum payments under these leases are as follows:

Year Ending June 30	Amount
2010	\$ 93,304
Total	<u>\$ 93,304</u>

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2009**

NOTE 10. CONTRACTS AND AGREEMENTS

In addition to its annual appropriation from the State of New Mexico General Fund, the Court received revenue from several contracts during the year ended June 30, 2009. (All amounts below are stated on the modified accrual basis.)

- A. An agreement with the County of Bernalillo for the provision of twenty-four hour coverage and pretrial services at the Bernalillo County Detention Center. Total received and accrued for the fiscal year: \$826,950.
- B. An agreement with the University of New Mexico Regents of the UNM University Hospital to provide pretrial services and coordination with the Health Center's Case Management personnel. Total received and accrued for the fiscal year: \$18,806.
- C. An agreement with the State of New Mexico Department of Transportation, to improve enforcement and monitoring of court ordered conditions for defendants and offenders with DWI arrests and/or convictions. Total received and accrued for the fiscal year: \$68,347.
- D. A grant from the U.S. Department of Justice, Office of Justice Programs, for the implementation of the Bernalillo County Metropolitan Court Mental Health Enhancement Project. Total received and accrued for the fiscal year: \$40,959.

NOTE 11. INTERAGENCY TRANSFERS

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
SHARE Fund 85300	SHARE Fund 15400	\$ 23,527,700	General Fund appropriation
SHARE Fund 15400	SHARE Fund 25200	36,912	Pass through grants
SHARE Fund 72900	SHARE Fund 53200	10,000	Revenue surplus
SHARE Fund 15400	SHARE Fund 85300	81,174	2009 Reversion
SHARE Fund 15400	SHARE Fund 85300	59,193	Prior years Reversion

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
FIDUCIARY FUNDS
June 30, 2009**

Agency Funds:

To account for assets held as an agent for other governmental units, for defendants and for other funds.

The Agency Funds of the Court are as follows:

Fines and Fees Fund. To account for the collection of all fines, fees and costs not accounted for in another fund, pursuant to Section 35-7-5 NMSA 1978.

Cash Bail Bonds Fund. To account for the acceptance of cash bail bonds for the release of an accused defendant and their subsequent application, refund or forfeiture, pursuant to Section 31-4-16, NMSA 1978. Funds are maintained in a separate bank account with Wells Fargo Bank in Albuquerque.

Civil Trust Fund. To account for the civil litigant funds deposited with Bernalillo County Metropolitan Court "in one or more accounts distinct from the Court's general funds", pursuant to Rule 1-102 of the Rules of Civil Procedure for the District Courts.

Crime Lab Fund. To account for monies collected from the assessment of DWI Lab Fee, DWI Prevention Fee, and Substance Abuse Fee, pursuant to Section 31-12-7(A), NMSA 1978, and Section 31-12-8(A), NMSA 1978, respectively. Funds are maintained in a separate bank account with Wells Fargo Bank in Albuquerque and are remitted monthly to the Court.

Corrections Fee Fund. To account for monies collected from the assessment of Local Government Corrections Fee, pursuant to Section 35-6-1-D-1, NMSA 1978. Funds are maintained in a separate bank account with Wells Fargo Bank in Albuquerque and are remitted monthly to the Court.

Refund Suspense Account Fund. To account for the refund of monies "which money has not yet been earned so as to become the absolute property of the state . . . deposited in a suspense account" with the NM State Treasurer, pursuant to Section 6 10-3, NMSA 1978. SHARE Fund number is 82400.

Parking Fund. To account for receipts collected in the Court's parking garage and rental income from State (MVD) and retail offices, pursuant to Section 34-8A-14, NMSA 1978.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
June 30, 2009

	Fines and Fees Revenue	Cash Bail Bonds	Civil Trust	Crime Lab
ASSETS				
Interest in State General Fund				
Investment Pool	\$ -	-	-	-
Cash	68,076	1,632,118	32,784	3,802
	<u>\$ 68,076</u>	<u>1,632,118</u>	<u>32,784</u>	<u>3,802</u>
LIABILITIES				
Deposits held for others	\$ 68,076	1,632,118	32,784	3,802
Due to the State of New Mexico General Fund	-	-	-	-
Total liabilities	<u>\$ 68,076</u>	<u>1,632,118</u>	<u>32,784</u>	<u>3,802</u>

Correction Fees	Parking Facility	Refund Suspense Account	Total
\$ -	-	5,347	5,347
4,211	4,762	-	1,745,753
<u>\$ 4,211</u>	<u>4,762</u>	<u>5,347</u>	<u>1,751,100</u>
\$ 4,211	4,762	-	1,745,753
-	-	5,347	5,347
<u>\$ 4,211</u>	<u>4,762</u>	<u>5,347</u>	<u>1,751,100</u>

STATE OF NEW MEXICO
BERNALILLO COUNTY METRO COURT
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Fines and Fees Revenue Fund				
Assets				
Cash	\$ 648,300	7,583,053	(8,163,277)	68,076
Liabilities				
Deposits held for others	\$ 648,300	7,583,053	(8,163,277)	68,076
Cash Bail Fund				
Assets				
Cash	\$ 1,956,275	4,041,584	(4,365,741)	1,632,118
Liabilities				
Deposits held for others	\$ 1,956,275	4,041,584	(4,365,741)	1,632,118
Civil Trust Fund				
Assets				
Cash	\$ 87,383	72,728	(127,327)	32,784
Liabilities				
Deposits held for others	\$ 87,383	72,728	(127,327)	32,784
Crime Lab Fund				
Assets				
Cash	\$ 18,127	253,566	(267,891)	3,802
Liabilities				
Deposits held for others	\$ 18,127	253,566	(267,891)	3,802
Corrections Fee Fund				
Assets				
Cash	\$ 37,856	418,885	(452,530)	4,211
Liabilities				
Deposits held for others	\$ 37,856	418,885	(452,530)	4,211
Refund Suspense Account Fund				
Assets				
Interest in State Treasurer Investment Pool	\$ 10,201	39,329	(44,183)	5,347
Liabilities				
Due to the State of New Mexico General Fund	\$ 10,201	39,329	(44,183)	5,347
Parking Facilities Fund				
Assets				
Cash	\$ 30,316	589,824	(615,378)	4,762
Liabilities				
Deposits held for others	\$ 30,316	589,824	(615,378)	4,762
Total All Agency Funds				
Assets				
Interest in State Treasurer Investment Pool	\$ 10,201	39,329	(44,183)	5,347
Cash	2,778,257	12,959,640	(13,992,144)	1,745,753
Total Assets	\$ 2,788,458	12,998,969	(14,036,327)	1,751,100
Liabilities				
Deposits held for others	\$ 2,778,257	12,959,640	(13,992,144)	1,745,753
Due to the State of New Mexico General Fund	10,201	39,329	(44,183)	5,347
Total liabilities	\$ 2,788,458	12,998,969	(14,036,327)	1,751,100

**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 Judith K. Nakamura, Chief Judge
State of New Mexico Bernalillo County Metropolitan Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

We have audited the financial statements of the governmental activities, each major fund, including the budgetary comparisons of the major funds and the aggregate remaining fund information of the State of New Mexico Bernalillo County Metropolitan Court (Court), as of and for the year ended June 30, 2009, which collectively comprise the Court's basic financial statements and have issued our report thereon dated November 30, 2009. We have also audited the agency funds of the Court as listed in the table of contents. 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 Court's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Court's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Court's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

Honorable Judith K. Nakamura, Chief Judge
State of New Mexico Bernalillo County Metropolitan Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

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 entity'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 entity'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 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*.

Honorable Judith K. Nakamura, Chief Judge
State of New Mexico Bernalillo County Metropolitan Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

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

Moss Adams LLP

Albuquerque, New Mexico
November 30, 2009

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2009

PRIOR YEAR FINDINGS

08-01	Untimely Reversion	Resolved
08-02	Agency Cash Reconciliation	Resolved
08-03	Accrued Liabilities Account Reconciliation	Resolved

CURRENT YEAR FINDINGS

None

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
EXIT CONFERENCE
June 30, 2009**

We discussed the results of the audit during the exit conference held November 13, 2009. The exit conference was attended by the following individuals:

State of New Mexico, Bernalillo County Metropolitan Court:

Judith K. Nakamura, Chief Judge
Brian Gilmore, Court Executive Officer
Edward Prunier, Deputy Court Executive Officer
Jonathan Ash, Finance Director
Rachael Monarch, Court Financial Manager
Ernest Eblen, Deputy Court Executive Officer
Lucinda Warner, Internal Auditor

Moss Adams LLP

Larry Carmony, Partner
Jason Galloway, Manager

Moss Adams LLP assisted with the preparation of the financial statements.