



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

FINANCIAL STATEMENTS

JUNE 30, 2010

MOSS ADAMS_{LLP}

Certified Public Accountants | Business Consultants

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

Official Roster

June 30, 2010

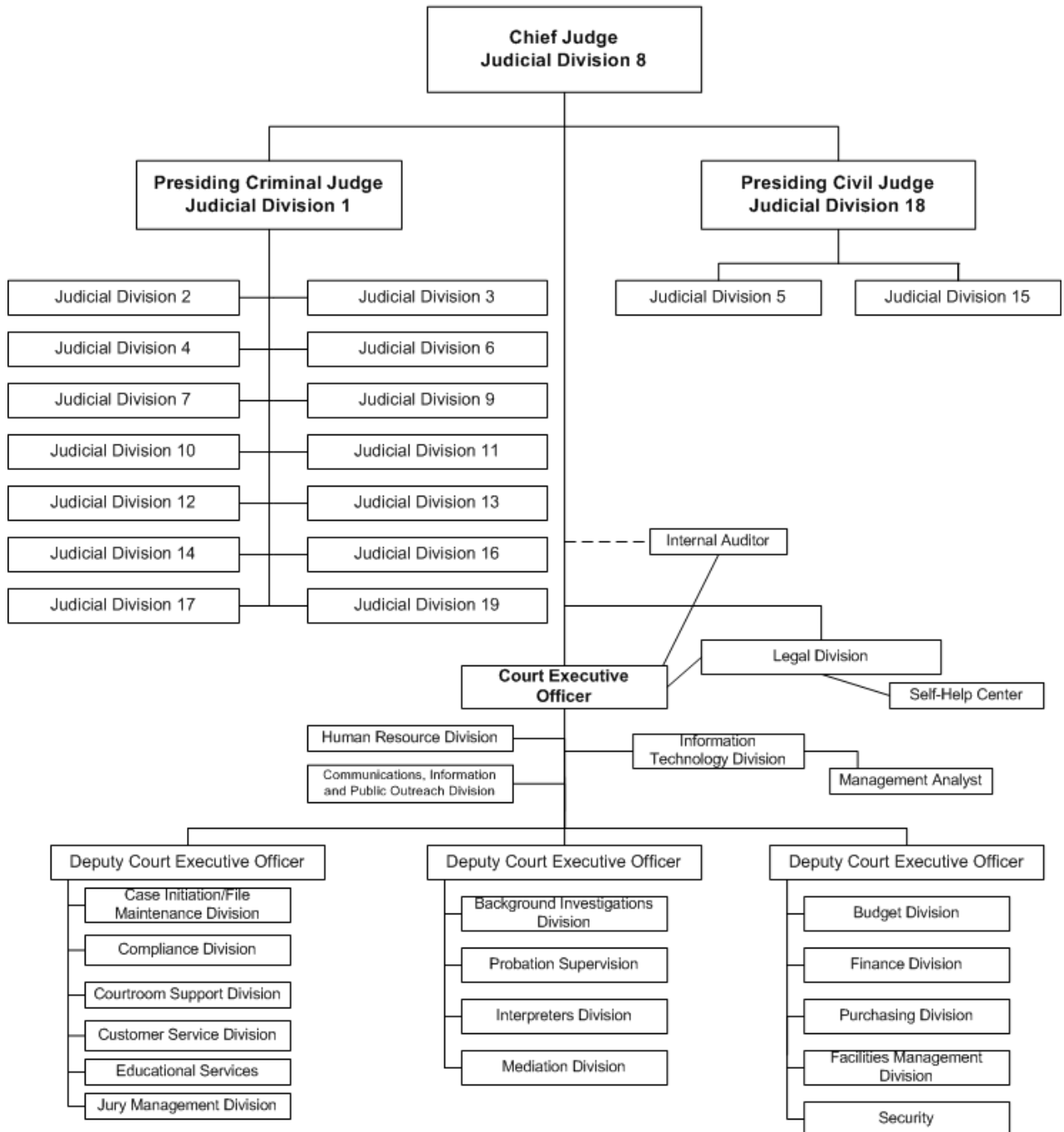
JUDGES

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 Yvette K. Gonzales	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
Loni M. Leese	Deputy Court Executive Officer
Robert L. Padilla	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 the general and special revenue 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, 2010, which collectively comprise the Court's basic financial statements as listed in the table of contents. We also have audited the budgetary comparison for the capital projects fund and the financial statements of each of the Court's agency funds presented as supplementary information as of and for the year ended June 30, 2010, 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, 2010, 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, 2010 and the respective changes in financial position and the respective budgetary comparisons for the general and 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 budgetary comparison for the capital projects fund and each of the fiduciary funds of the Court as of June 30, 2010 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 6, 2010, 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 12 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 on the basic financial statements and the combining and individual fund financial and budgetary comparison. 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.

Mess Adams LLP

Albuquerque, New Mexico
December 6, 2010

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010**

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, concerns and recent operational performance metrics.

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.

Case Management/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, 2010. The year saw a total of 125,538 case filings, 108,991 of which were criminal and 16,547 were civil.

Collections

The Court collected approximately \$8.2 million in fines, fees and court costs during the fiscal year, of which \$6.9 million was utilized by various state and local government agencies. Approximately \$1.3 million was routed to the Court's warrant enforcement and mediation funds in accordance to their statutory funding requirements.

Bail Bond Postings

Approximately 22,900 cash, surety and property bail bonds totaling approximately \$66.0 million were posted at the Court.

Capital Asset Activity

The Court experienced a decline of \$2,610,972 in the value of its capital assets in fiscal year 2010. The decrease is almost entirely attributable to the excess of depreciation and amortization expense over capital asset additions.

Specialty Court and Program Highlights

Domestic Violence Early Intervention Program (EIP)

This pre-adjudication program is intended for first time defendants charged with a misdemeanor domestic violence crime. The program enrolled 355 new participants, graduated 273 participants, and had a graduation rate of 90% and a retention rate of 94% for the year. During the year, EIP officers supervised a total of 526 EIP defendants and 785 Pre-Trial Service (PTS) cases pending adjudication for domestic violence related charges.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010**

Domestic Violence Repeat Offender Program

This is an intensive, post-adjudication program intended for defendants charged with misdemeanor domestic violence crimes who have had similar prior charges. The DVROP program enrollment was 33 offenders at the start of FY10; during the year the program enrolled an additional 23 offenders for a total of 56 defendants/offenders supervised. The DVROP program had a graduation rate of 77%, and a retention rate of 89% for the year.

DWI/Drug Court Program

Since its inception in 1997, 2,122 defendants have graduated from this program. In FY10 there were 352 enrollments and 237 Drug-court graduates. The program had a graduation rate for the year of 81%, a retention rate of 95% and a three year recidivism rate of 5.1%. The cost per participant of this highly effective program is only \$9.40 per day. In addition to the traditional program, the DWI/Drug Court also has Spanish Language, Urban Native American, and Co-Occurring Disorders tracks in order to better serve the community.

Homeless Court

Holding court hearings in the community, this program works with defendants and service providers to reduce homelessness. Hearings are held monthly at a community provider setting working with the homeless population. There were 91 new enrollments referred to this Program in FY10.

Mental Health Court (MHC)

This program identifies defendants who have an underlying mental health diagnosis or disorder and assists in referring participants into appropriate community services. There were 272 defendants enrolled or inducted into MHC during FY10. The program had a graduation rate of 85% and a retention rate of 95% for the year. Under the enhancement component, there were another 91 defendants under "post" conviction supervision with a mental health probation officer, and 172 defendants supervised during the year released under pretrial supervision pending a competency determination. During the year MHC had 154 "new" enrollments and 130 "graduations."

Competency Court

During FY10 there were 601 cases referred for a competency determination from which 354 forensic evaluations were necessary. A defendant may have had more than one case filed during the year for a determination, but only one evaluation is required per defendant.

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 2010, there were 10,962 defendants sentenced or authorized to perform 240,422 hours of community service work, resulting in a savings of \$1,238,174 to various governmental and not-for-profit agencies both within and outside Bernalillo County.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010**

Mediation Division

The Court's successful Mediation Division completed its 24th year of service to the community in fiscal year 2010. 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. More than 100 mediators volunteered approximately 2500 hours to the Court in FY10. 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 follows the model adopted in fiscal year 2005 and, 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.

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 Fund Financial Statements also allow the government to address Court funds. While these funds represent trust responsibilities of the government, these 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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2010**

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 general fund operating budget for fiscal year 2010 decreased by \$1,337,914 which is a 4.9% decrease compared to the preceding fiscal year. The Court’s non-reverting Warrant and Mediation fund budgets remain level to prior fiscal years. The non-reverting Parking fund budget increased over FY09 to ensure the necessary authority for continued maintenance and upkeep of the parking structure.

Government-Wide Financial Analysis

Statement of Net Assets

	Government Activities FY 2009	Government Activities FY 2010	Total Percentage Change FY 09-10
Current assets	\$ 2,658,172	2,495,021	-6%
Capital assets less accumulated Depreciation	69,820,173	67,209,201	-4%
Total assets	<u>72,478,345</u>	<u>69,704,222</u>	-4%
Liabilities	<u>\$ 2,354,899</u>	<u>2,381,988</u>	1%
Net Assets			
Invested in capital assets	\$ 69,820,173	67,209,201	-4%
Unrestricted	<u>303,273</u>	<u>113,033</u>	-63%
Total net assets	<u>\$ 70,123,446</u>	<u>67,322,234</u>	-4%

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2010**

Capital assets, net of accumulated depreciation, decreased by \$2,610,972. The investment in capital assets increased by \$213,115 primarily in machinery, equipment and buildings – however, it was more than offset by (\$2,824,087) of depreciation expense during the same period.

The Court’s liability for unpaid compensated absences decreased to \$775,687 during the year ended June 30, 2010, as a result of more leave being taken than accrued.

Statement of Activities

The following schedule presents the revenues and expenses for the fiscal years 2009 and 2010.

	Government Activities FY 2009	Government Activities FY 2010	Total Percentage Change FY 09-10
Expenses			
Judiciary	\$ (29,523,941)	(28,134,246)	-5%
Program revenues	3,361,469	2,891,638	-14%
Net (expenses) revenues	<u>(26,162,472)</u>	<u>(25,242,608)</u>	-4%
General revenues and (expenses)			
General fund appropriation	23,527,700	22,697,400	-4%
Transfers	<u>(187,279)</u>	<u>(256,004)</u>	37%
Total general revenues and transfers	<u>23,340,421</u>	<u>22,441,396</u>	-4%
Change in net assets	(2,822,051)	(2,801,212)	-1%
Net assets, beginning	<u>72,945,497</u>	<u>70,123,446</u>	-4%
Net assets, ending	<u>\$ 70,123,446</u>	<u>67,322,234</u>	-4%

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2010**

The following schedule presents the final budget for the general fund:

	Final Budget	Actual Expenditures	Favorable Variance
Personal Services & Employee Benefits	\$ 18,603,047	18,458,376	144,671
Contractual Services	2,594,600	2,547,487	47,113
Other Costs	2,565,760	2,547,885	17,875
	\$ 23,763,407	23,553,748	209,659

The Court reverted \$156,355 in unexpended General Funds comprised mainly from vacancy savings in Personal Services and Employee Benefits.

The Court’s Funds

Government Funds

As of June 30, 2010, the government funds (as presented on the balance sheet) reported a fund balance of \$888,720, of which \$589,902 relates to the Warrant Enforcement Fund; \$54,189 to the Parking Facility Fund and \$244,629 to the Mediation Fund. These fund balances are set aside for future expenditures in the respective areas and may be appropriated in the future. Each fund completed the year close to break even and carried forward the majority of the fund balance from the prior year.

Budgetary Highlights

The Laws of the 2009 First Special Session, Chapter 5, Section 2.A.2 reduced the general fund appropriation for fiscal year 2010 by \$463,300. The Court continued its refinement, renegotiation and reduction of all contractual and other cost expenditures. Also, vacant positions were held open longer and others were frozen to assure that budget would be met.

The Laws of the 2009 First Special Session, Chapter 2, Section 1.A.4-5 transferred to the general fund a total of \$250,000 from the Court’s non-reverting fund balances. The total consisted of \$150,000 from the Warrant Enforcement fund and \$100,000 from the Mediation Fund.

This was the last year the Court received Mental Health grant money from the University of New Mexico. The grant expired on December 31, 2010 and will not be renewed in future fiscal years.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010**

Additionally, there were increases from fund balances for the Court's non-reverting Parking and Warrant fund. These were necessary to assure that the budget authority needed for the Warrant Fund personal services and employee benefits and the Parking Fund maintenance and contractual obligations was available.

Anticipated Changes

In August of 2010, the Department of Finance and Administration (DFA) and the Legislative Finance Committee (LFC) implemented the authority given in the Laws of 2010 2nd Special Session, Chapter 6, Section 14 to reduce agency general fund budgets during FY11. The Court's total general fund budget reduction was \$712,900.

The Court had begun mandatory furloughs on the last Friday of both July and August for two hours each day. In order to discontinue the closures and furloughs until February, the Court received an additional \$70,000 from the American Recovery and Reinvestment Act federal fund budget.

Considering the Court's continued decrease in general fund appropriations, the decision was made to increase the operating budget from the Mediation Fund balance by an additional \$153,400. These funds are being utilized to minimize the general fund budget used to pay the Mediation Program's three FTEs' personal services and employee benefits expenditures. This decision, along with the \$100,000 fund transfer that occurred in FY09, will continue to deplete the fund and offer only a short-term solution to continued budget cuts.

The DWI Drug Court's service provider contract of \$450,000 is budgeted with two sources of non-general fund revenue in FY11. The Court received \$425,000 in Liquor Excise Tax funds from an appropriation provided to the Administrative Office of the Courts (AOC) from the DFA – Local Government Division. The remaining \$25,000 in revenues was received from the AOC as a federal fund pass-through grant. Future fiscal years' funding of this program remains unknown at this time.

A federal fund pass-through grant with the Traffic Safety Bureau for the DWI First Offender Program is continuing to be negotiated from year-to-year. In FY11, the award remained flat and continues to fund the personal services and employee benefits for two probation officers that are an expansion to the seven general fund staff. The total grant award is \$100,000.

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, 2010**

Governmental
Activities

ASSETS

Current Assets

Petty cash	\$	4,150
Interest in State Treasurer General Fund Investment Pool		2,069,357
Fines and fees receivable, net		218,149
Grants and contracts receivable		203,365
Total current assets		<u>2,495,021</u>

Capital assets

Land		6,640,478
Capital assets being depreciated		60,568,723
Total capital assets, net of accumulated depreciation		<u>67,209,201</u>

Total assets

69,704,222

LIABILITIES

Current Liabilities

Due to State Treasurer General Fund Investment Pool		1,520
Accounts payable		484,659
Accrued payroll and related taxes		963,767
Due to State General Fund		156,355
Compensated absences payable		775,687
Total current liabilities		<u>2,381,988</u>

NET ASSETS

Invested in capital assets		67,209,201
Unrestricted		113,033
Total net assets	\$	<u>67,322,234</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2010**

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants	Governmental Activities
Governmental Activities				
Judicial	\$ 27,422,455	1,290,831	808,915	(25,322,709)
Preventative programs	81,549	-	81,549	-
Parking facility operations	617,481	628,548	-	11,067
Mediation	12,761	81,795	-	69,034
Total governmental activities	28,134,246	2,001,174	890,464	(25,242,608)
General Revenues and Transfers				
State General Fund appropriation - 2010				22,697,400
Severance Tax Bond appropriation				160,351
Reversion to State General Fund - 2010				(156,355)
Transfer out - other state agencies				(260,000)
Total general revenues and transfers				22,441,396
Change in net assets				(2,801,212)
Net assets, beginning				70,123,446
Net assets, ending				<u>\$ 67,322,234</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2010

	General Fund	Warrant Enforcement Fund	Parking Facility Fund	Mediation Fund	Capital Projects Fund	Total Governmental Funds
ASSETS						
Current Assets						
Petty cash	\$ 4,150	-	-	-	-	4,150
Interest in State General Fund Investment Pool	1,065,157	749,262	-	254,938	-	2,069,357
Fines and fees receivable, net	7,504	98,588	104,296	7,761	-	218,149
Grant and contracts receivable	203,365	-	-	-	-	203,365
Total assets	\$ 1,280,176	847,850	104,296	262,699	-	2,495,021
LIABILITIES AND FUND BALANCES						
Liabilities						
Due to State Treasurer General Fund Investment Pool	\$ -	-	1,520	-	-	1,520
Accounts payable	410,833	24,735	48,566	525	-	484,659
Accrued payroll and taxes	712,988	233,213	21	17,545	-	963,767
Due to State General Fund	156,355	-	-	-	-	156,355
Total liabilities	1,280,176	257,948	50,107	18,070	-	1,606,301
Fund Balances						
Reserved for petty cash	4,150	-	-	-	-	4,150
Unreserved, designated (deficit) for subsequent year's expenditures	(4,150)	589,902	54,189	244,629	-	884,570
Total fund balances	-	589,902	54,189	244,629	-	888,720
Total liabilities and fund balances	\$ 1,280,176	847,850	104,296	262,699	-	2,495,021

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, 2010**

Total fund balances - governmental funds \$ 888,720

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	3,435,051
Building, land and parking facility	76,889,290
Accumulated depreciation	<u>(19,755,618)</u>

Total capital assets, net of accumulated depreciation 67,209,201

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

Compensated absences payable	<u>(775,687)</u>
------------------------------	------------------

Net assets of governmental activities \$ 67,322,234

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, 2010**

	General Fund	Warrant Enforcement Fund	Parking Facility Fund	Mediation Fund	Capital Projects Fund	Total Governmental Funds
Revenues						
Fines and fees	\$ 122,239	1,168,592	628,548	81,795	-	2,001,174
Grants and contracts	890,464	-	-	-	-	890,464
Total revenues	1,012,703	1,168,592	628,548	81,795	-	2,891,638
Expenditures general government - judiciary						
Current						
Personal services	13,297,044	765,827	-	-	-	14,062,871
Employee benefits	5,161,332	313,170	-	-	-	5,474,502
In-state travel	5,680	-	61	-	-	5,741
Maintenance and repairs	811,849	2,788	77,360	1,044	-	893,041
Supplies and materials	492,056	-	6,356	-	-	498,412
Contractual services	2,547,487	170,662	435,511	616	3,870	3,158,146
Operating costs	1,172,565	26,453	97,075	11,101	310	1,307,504
Other costs	4,345	-	1,118	-	-	5,463
Out-of-state travel	4,446	-	-	-	-	4,446
Capital outlay	56,944	-	-	-	156,171	213,115
Total expenditures	23,553,748	1,278,900	617,481	12,761	160,351	25,623,241
Excess (deficiency) of revenues over expenditures	(22,541,045)	(110,308)	11,067	69,034	(160,351)	(22,731,603)
Other financing sources (uses)						
State General Fund appropriation	22,697,400	-	-	-	-	22,697,400
Severance Tax Bond appropriation	-	-	-	-	160,351	160,351
Transfer out - other state agencies	-	(150,000)	(10,000)	(100,000)	-	(260,000)
Reversion to State General Fund - 2010	(156,355)	-	-	-	-	(156,355)
Total other financing sources (uses)	22,541,045	(150,000)	(10,000)	(100,000)	160,351	22,441,396
Net change in fund balances	-	(260,308)	1,067	(30,966)	-	(290,207)
Fund balances, beginning	-	850,210	53,122	275,595	-	1,178,927
Fund balances, ending	\$ -	589,902	54,189	244,629	-	888,720

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, 2010**

Net change in fund balances (Statement of Revenues,
 Expenditures and Changes in Fund Balances) \$ (290,207)

Amounts reported for governmental activities in the
 Statement of Activities are different for the year
 ended June 30, 2010 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 decrease in the liability
 for the year was 99,967

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	\$ 213,115	
Depreciation	<u>(2,824,087)</u>	
Excess of depreciation over capital outlay		<u>(2,610,972)</u>
Change in net assets of governmental activities (Statement of Activities)		<u><u>\$ (2,801,212)</u></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, 2010

	General Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ 859,900	852,360	808,915	(43,445)
Charges for services	52,600	52,600	84,712	32,112
Grants	51,200	124,347	81,549	(42,798)
Other	-	13,200	14,027	827
Total revenues	963,700	1,042,507	989,203	(53,304)
Expenditures				
Personal services/employee benefits	18,520,900	18,603,047	18,458,376	144,671
Contractual services	2,879,700	2,594,600	2,547,487	47,113
Other costs	2,799,000	2,565,760	2,547,885	17,875
Total expenditures	24,199,600	23,763,407	23,553,748	209,659
Excess (deficiency) of revenues over expenditures	(23,235,900)	(22,720,900)	(22,564,545)	156,355
Other financing sources (uses)				
State general fund appropriations	23,160,700	22,697,400	22,697,400	-
Reversions	-	-	(156,355)	(156,355)
Other financing sources - fines and fees	75,200	23,500	23,500	-
Other financing uses	-	-	-	-
Total other financing sources (uses)	23,235,900	22,720,900	22,564,545	(156,355)
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, 2010**

	Warrant Enforcement Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ -	-	-	-
Charges for services	1,487,400	1,357,400	1,168,592	(188,808)
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	1,487,400	1,357,400	1,168,592	(188,808)
Expenditures				
Current				
General government				
Personal services/employee benefits	1,155,700	1,155,700	1,078,997	76,703
Contractual services	262,500	262,500	170,662	91,838
Other costs	69,200	69,200	29,241	39,959
Total expenditures	1,487,400	1,487,400	1,278,900	208,500
Excess of revenues over expenditures	-	(130,000)	(110,308)	19,692
Other financing sources				
State general fund appropriations	-	-	-	-
Other financing uses	-	(150,000)	(150,000)	-
Total other financing sources	-	(150,000)	(150,000)	-
Cash balance required to balance budget	-	280,000	-	(280,000)
Net change in fund balance	\$ -	-	(260,308)	(260,308)

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, 2010**

	Parking Facility Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ -	-	-	-
Charges for services	-	-	-	-
Grants	-	-	-	-
Other	698,900	671,600	628,548	(43,052)
Total revenues	698,900	671,600	628,548	(43,052)
Expenditures				
Current				
General government				
Personal services/employee benefits	-	-	-	-
Contractual services	454,300	467,000	435,511	31,489
Other costs	214,600	204,600	181,970	22,630
Total expenditures	668,900	671,600	617,481	54,119
Excess (deficiency) of revenues over expenditures	30,000	-	11,067	11,067
Other financing sources				
State general fund appropriations	-	-	-	-
Other financing uses	(30,000)	(30,000)	(10,000)	20,000
Total other financing sources (uses)	(30,000)	(30,000)	(10,000)	20,000
Cash balance required to balance budget	-	30,000	-	(30,000)
Net change in fund balance	\$ -	-	1,067	1,067

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, 2010**

	Mediation Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ -	-	-	-
Charges for services	38,700	38,700	81,795	43,095
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	38,700	38,700	81,795	43,095
Expenditures				
Current				
General government				
Personal services/employee benefits	-	-	-	-
Contractual services	4,800	4,800	616	4,184
Other costs	33,900	33,900	12,145	21,755
Total expenditures	38,700	38,700	12,761	25,939
Excess (deficiency) of revenues over expenditures	-	-	69,034	69,034
Other financing sources				
State general fund appropriations	-	-	-	-
Other financing sources	-	-	-	-
Other financing uses	-	(100,000)	(100,000)	-
Total other financing sources	-	(100,000)	(100,000)	-
Cash balance required to balance budget	-	100,000	-	(100,000)
Net change in fund balance	\$ -	-	(30,966)	(30,966)

See Notes to Financial Statements.

STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2010

	Agency Funds
ASSETS	
Interest in State General Fund Investment Pool	\$ 3,731
Cash on deposit in banks	<u>1,836,225</u>
Total assets	<u><u>\$ 1,839,956</u></u>
LIABILITIES	
Deposits held for others	\$ 1,836,225
Due to the State of New Mexico General Fund	<u>3,731</u>
Total liabilities	<u><u>\$ 1,839,956</u></u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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, 2010**

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 to 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, 2010**

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, 2010**

**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 design, construct, and improve the Court building and parking facility. This construction was 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 reverting. 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. SHARE fund number is 96740.

D. Non-Current Governmental Assets/Liabilities

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

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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

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.

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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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

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 outcomes 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.
6. Formal budgetary integration was employed as a management control device during the fiscal year for the General Fund, and Special Revenue Funds.

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2010**

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

F. Budgets and Budgetary Accounting (Continued)

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 2010 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.

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, 2010, over 600 hours. Expenditures for accumulated sick pay for hours under 600 hours will be recognized as employees take such absences.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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

G. Compensated Absences (Continued)

The accrual for compensated absences is calculated at pay rates in effect at June 30, 2010, 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.

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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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

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, 2010 the Parking Fund had \$36,982 deemed uncollectible and other receivable balances are considered collectible.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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

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

	SHARE Number	Investment Pool Amount
General Fund		
Operating Account	15400	\$ 1,065,157
Special Revenue Funds		
Mediation Fund	93000	254,938
Warrant Enforcement Fund	69300	749,262
Parking Facility Fund	72900	<u>(1,520)</u>
Total - governmental		<u>2,067,837</u>
Agency Funds		
Refund Suspense Fund	82400	<u>3,731</u>
Total - agency funds		<u>3,731</u>
Total interest in the State Treasurer investment pool		<u>\$ 2,071,568</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, 2010**

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

The following is a listing of the Court's deposits of public monies grouped by depository financial institution as of June 30, 2010.

	Bank Account Type	Bank Amount
Wells Fargo Bank		
Cash Bail Bond	Checking	\$ 1,023,879
Parking Facility	Checking	55,070
Fiscal Agency (Civil)	Checking	748,266
Civil Trust	Checking	<u>33,959</u>
Total demand deposits		1,861,174
FDIC coverage		<u>250,000</u>
		<u>\$ 1,611,174</u>
Uninsured balance		\$ 805,587
50% collateral requirement		
Collateralization held by Wells Fargo Bank		
GNSF due 9-01-38 (3125MBVHB)		<u>12,993,978</u>
Amount over requirement at		
June 30, 2010		<u>\$ 12,188,391</u>

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Court's deposit may not be returned to it. As of June 30, 2010, the Court's deposits were exposed to custodial credit risk as follows:

Insured	\$ 250,000
Collateralized:	
Collateral held by the Court or in the Court's name	1,611,174
Uninsured and uncollateralized	<u>-</u>
Total deposits	<u>\$ 1,861,174</u>

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2010**

NOTE 2. CASH ACCOUNTS AND INTEREST IN STATE TREASURER GENERAL FUND INVESTMENT POOL (CONTINUED)

Reconciled amount by fund per financial statements at June 30, 2010, is as follows:

General Fund	
Operating account	\$ 1,065,157
Special Revenue Funds	
Warrant Enforcement Fund	749,262
Mediation Fund	254,938
Parking Facility Fund	<u>(1,520)</u>
Total investment in State General Fund	
Investment Pool per Statement of Net Assets	<u>2,067,837</u>
Fiduciary Funds	
Wells Fargo checking accounts	1,861,174
Interest in State General Fund Investment Pool	<u>3,731</u>
	<u>1,864,905</u>
Total investment in State General Fund Investment	
Pool and banks, per financial statements	3,932,742
Add: Outstanding checks and other reconciling	
items - net	<u>(24,950)</u>
Total investment in State General Fund Investment	
Pool and banks	<u>\$ 3,907,792</u>

NOTE 3. OUTSTANDING JUDGMENTS

Potential Fine and Fees Receivable

At June 30, 2010 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, 2010**

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2010 is as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Court capital assets not being depreciated				
Land	\$ 6,640,478	-	-	<u>6,640,478</u>
Court depreciable capital assets				
Machinery, equipment and vehicles	3,524,487	56,889	(146,325)	3,435,051
Building and parking facility	<u>76,733,064</u>	<u>156,226</u>	<u>-</u>	76,889,290
Total depreciable assets	<u>80,257,551</u>	<u>213,115</u>	<u>(146,325)</u>	80,324,341
Accumulated depreciation				
Machinery, equipment and vehicles	(3,201,991)	(188,025)	146,325	(3,243,691)
Building	<u>(13,875,865)</u>	<u>(2,636,062)</u>	<u>-</u>	(16,511,927)
Accumulated depreciation	<u>(17,077,856)</u>	<u>(2,824,087)</u>	<u>146,325</u>	(19,755,618)
Total capital assets, net of accumulated depreciation	<u>\$ 69,820,173</u>	<u>(2,610,972)</u>	<u>-</u>	<u>67,209,201</u>

Depreciation expense for the year ended June 30, 2010 was \$2,824,087 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, 2010**

NOTE 5. COMPENSATED ABSENCES PAYABLE

A summary of changes in the compensated absences payable for the year ended June 30, 2010 is as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due After One Year
Compensated absences					
Accrued annual leave	\$ 859,121	725,722	(826,104)	758,739	-
Accrued sick leave	15,533	430,194	(428,779)	16,948	-
	<u>\$ 874,654</u>	<u>1,155,916</u>	<u>(1,254,883)</u>	<u>775,687</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. Substantially 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 benefits, 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 for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 8.92% of their gross salary. The Court is required to contribute 15.09% of the gross covered salary. The contribution requirements of plan members and the Court are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Court's contributions to PERA for the fiscal years ending June 30, 2010, 2009 and 2008 were \$1,809,077, \$2,035,049, and \$1,955,177, respectively, which equal the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

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 8% of their gross salary. The Court is required to contribute 10.50% of the gross covered salary. The Court's contributions to the Plan for the years ended June 30, 2010, 2009 and 2008 were \$210,506, \$240,289 and \$245,290 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, 2010**

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 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). 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 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.

(1)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. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2010**

NOTE 7. POST-EMPLOYMENT BENEFITS (CONTINUED)

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]) the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	2.084%	1.042%
FY12	2.292%	1.146%
FY13	2.500%	1.250%

Also, employers joining the program after 1/1/98 are 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 to the RHCA in employees for the years ended June 30, 2010, 2009 and 2008 were \$123,013, \$183,292 and \$76,731, respectively, which equal the required contributions for each year. The Court's remitted for judges contributions for the years ended June 30, 2010, 2009 and 2008 were \$57,224, \$91,646 and \$88,367, respectively, which equal the required contributions for each year.

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, 2009 through June 30, 2010.

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2010**

NOTE 9. OPERATING LEASE COMMITMENTS

The Court is committed under various leases 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 \$86,954 for the year ended June 30, 2010. Future minimum payments under the equipment leases are as follows:

Year Ending June 30	Amount
2011	\$ 53,736
2012	53,736
2013	53,736
2014	<u>31,346</u>
Total	<u>\$ 192,554</u>

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, 2010. (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: \$808,915.
- 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: \$23,500.
- 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: \$81,549.

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2010**

NOTE 11. INTERAGENCY TRANSFERS

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
SHARE Fund 85300	SHARE Fund 15400	\$ 22,697,400	General Fund appropriation
SHARE Fund 34100	SHARE Fund 03700	160,351	Severance Tax Bond Proceeds
SHARE Fund 69300	SHARE Fund 85300	150,000	Fund Sweep
SHARE Fund 93000	SHARE Fund 85300	100,000	Fund Sweep
SHARE Fund 72900	SHARE Fund 53200	10,000	Bond Payment
SHARE Fund 15400	SHARE Fund 85300	156,355	2010 Reversion

NOTE 12. SPECIAL APPROPRIATIONS

Under Laws of 2009, Chapter 125, Section 6, Bernalillo County Metropolitan Court received a special appropriation from bond proceeds to be expended during fiscal year 2010 to plan, design, construct, and furnish classrooms for the driving while impaired and driver improvement schools in the metro shops in Albuquerque in Bernalillo County. As of June 30, 2010, \$160,351 has been recognized as revenue and expended.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended June 30, 2010**

	Capital Projects Fund			Variance Favorable (Unfavorable)
	Original Budget	Approved Revised Budget	Actual	
Expenditures				
Current				
General government				
Personal services/employee benefits	-	-	-	-
Contractual services	5,000	3,870	3,870	-
Other costs	155,380	156,481	156,481	-
Total expenditures	160,380	160,351	160,351	-
Excess (deficiency) of revenues over expenditures	(160,380)	(160,351)	(160,351)	-
Other financing sources				
State Severance Tax Bond appropriations	160,380	160,351	160,351	-
Total other financing sources	160,380	160,351	160,351	-
Cash balance required to balance budget	-	-	-	-
Net change in fund balance	\$ -	-	-	-

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
FIDUCIARY FUNDS
June 30, 2010**

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, 2010**

	Fines and Fees Revenue	Cash Bail Bonds	Civil Trust	Crime Lab
ASSETS				
Interest in State Treasurer General Fund				
Investment Pool	\$ -	-	-	-
Cash	629,031	1,059,082	30,590	26,675
	<u>\$ 629,031</u>	<u>1,059,082</u>	<u>30,590</u>	<u>26,675</u>
LIABILITIES				
Deposits held for others	\$ 629,031	1,059,082	30,590	26,675
Due to the State of New Mexico General Fund	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 629,031</u>	<u>1,059,082</u>	<u>30,590</u>	<u>26,675</u>

Correction Fees	Parking Facility	Refund Suspense Account	Total
\$ -	-	3,731	3,731
35,777	55,070	-	1,836,225
<u>\$ 35,777</u>	<u>55,070</u>	<u>3,731</u>	<u>1,839,956</u>
\$ 35,777	55,070	-	1,836,225
-	-	3,731	3,731
<u>\$ 35,777</u>	<u>55,070</u>	<u>3,731</u>	<u>1,839,956</u>

STATE OF NEW MEXICO
 BERNALILLO COUNTY METRO COURT
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 Year Ended June 30, 2010

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Fines and Fees Revenue Fund				
Assets				
Cash	\$ 68,076	7,329,300	(6,768,345)	629,031
Liabilities				
Deposits held for others	\$ 68,076	7,329,300	(6,768,345)	629,031
Cash Bail Fund				
Assets				
Cash	\$ 1,632,118	3,074,475	(3,647,511)	1,059,082
Liabilities				
Deposits held for others	\$ 1,632,118	3,074,475	(3,647,511)	1,059,082
Civil Trust Fund				
Assets				
Cash	\$ 32,784	91,461	(93,655)	30,590
Liabilities				
Deposits held for others	\$ 32,784	91,461	(93,655)	30,590
Crime Lab Fund				
Assets				
Cash	\$ 3,802	332,539	(309,666)	26,675
Liabilities				
Deposits held for others	\$ 3,802	332,539	(309,666)	26,675
Corrections Fee Fund				
Assets				
Cash	\$ 4,211	391,809	(360,243)	35,777
Liabilities				
Deposits held for others	\$ 4,211	391,809	(360,243)	35,777
Refund Suspense Account Fund				
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 5,347	36,890	(38,506)	3,731
Liabilities				
Due to the State of New Mexico General Fund	\$ 5,347	36,890	(38,506)	3,731
Parking Facilities Fund				
Assets				
Cash	\$ 4,762	619,963	(569,655)	55,070
Liabilities				
Deposits held for others	\$ 4,762	619,963	(569,655)	55,070
Total All Agency Funds				
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 5,347	36,890	(38,506)	3,731
Cash	1,745,753	11,839,547	(11,749,075)	1,836,225
Total assets	\$ 1,751,100	36,890	(38,506)	1,839,956
Liabilities				
Deposits held for others	\$ 1,745,753	11,839,547	(11,749,075)	1,836,225
Due to the State of New Mexico General Fund	5,347	36,890	(38,506)	3,731
Total liabilities	\$ 1,751,100	11,876,437	(11,787,581)	1,839,956

**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 general and special revenue 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, 2010, which collectively comprise the Court's basic financial statements and have issued our report thereon dated December 6, 2010. We have also audited the budgetary comparison for the capital projects fund and 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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 be designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, 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*.

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.

Mess Adams LLP

Albuquerque, New Mexico
December 6, 2010

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2010**

PRIOR YEAR FINDINGS

None

CURRENT YEAR FINDINGS

None

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
EXIT CONFERENCE
June 30, 2010**

We discussed the results of the audit during the exit conference held December 3, 2010. The exit conference was attended by the following individuals:

State of New Mexico, Bernalillo County Metropolitan Court:

Victor E. Valdez, Division I Judge
Brian W. Gilmore, Court Executive Officer
Edward C. Prunier Jr., Deputy Court Executive Officer
Jonathan Ash, Finance Director/Chief Financial Officer
Rachael Monarch, Court Financial Manager
Robert L. Padilla, Deputy Court Executive Officer
Loni M. Lesse, Deputy Court Executive Officer
Raymond W. Mensack, General Counsel
Dana Cox, Deputy General Counsel
Patricia Elliot, HR Director
Lucinda Warner, Internal Auditor

Moss Adams LLP

Larry Carmony, Partner
Jason Galloway, Manager

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