

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

FINANCIAL STATEMENTS

JUNE 30, 2011

MOSS ADAMS_{LLP}

Certified Public Accountants | Business Consultants

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

Official Roster

June 30, 2011

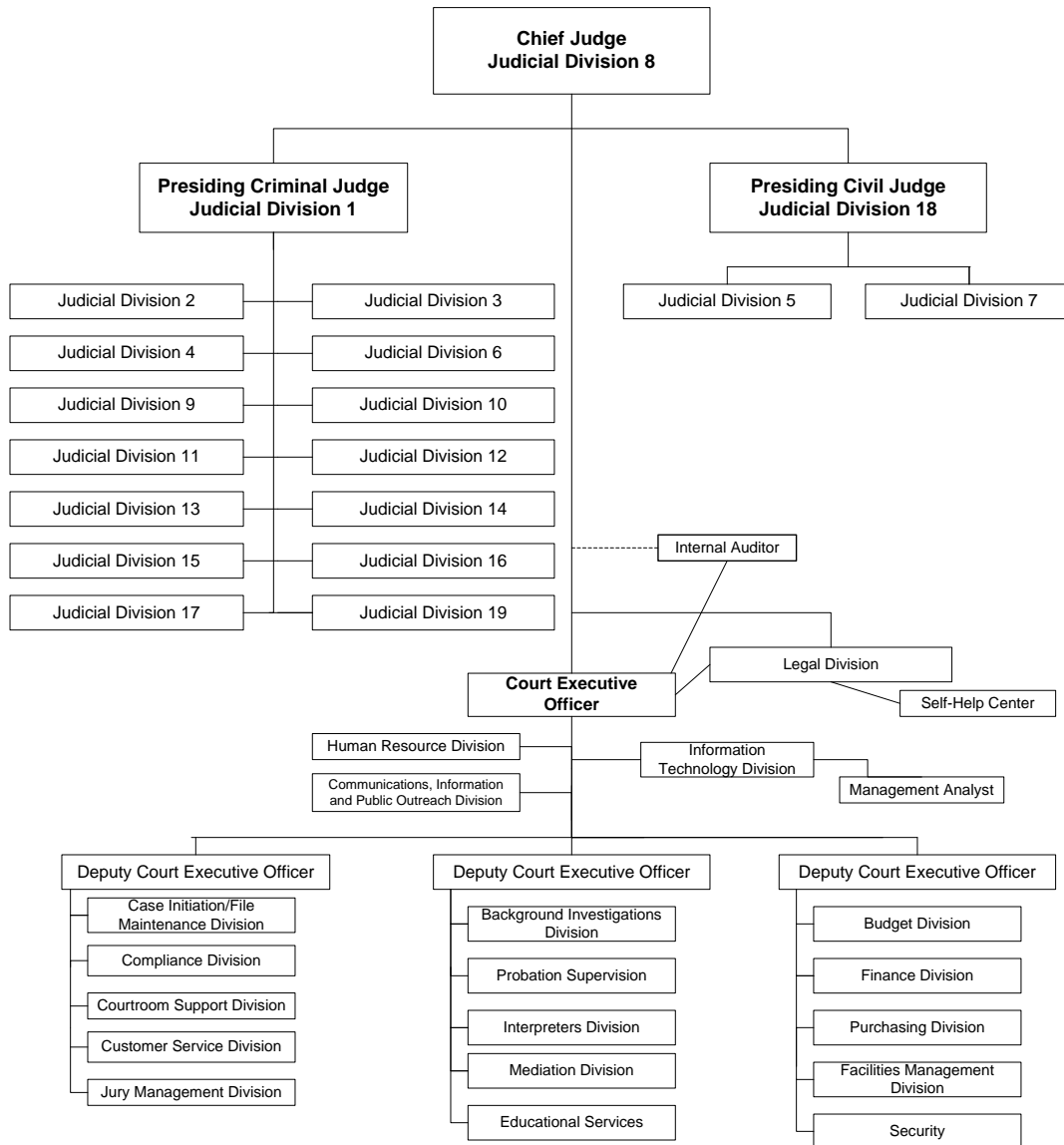
JUDGES

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 Christina P. Argyres	Division XV
Honorable Sharon D. Walton	Division XVI
Honorable Henry A. Alaniz	Division XVII
Honorable Rosie Lazcano Allred	Division XVIII
Honorable Linda S. Rogers	Division XIX

ADMINISTRATIVE OFFICIALS

Brian W. Gilmore	Court Executive Officer
Robert L. Padilla	Deputy Court Executive Officer
Edward C. Prunier, Jr.	Deputy Court Executive Officer
Jonathan Ash	Chief Financial Officer

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 Organizational Structure
 July 1, 2010



Report of Independent Auditors

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 aggregate remaining fund information, and the budgetary comparisons of the general and special revenue funds of the State of New Mexico Bernalillo County Metropolitan Court (Court), as of and for the year ended June 30, 2011, 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 supplemental information as of and for the year ended June 30, 2011, 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2011, 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, 2011, and the respective changes in financial position, where applicable, thereof 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 respective budgetary comparison for the major capital projects fund and each of the fiduciary funds for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2011, 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 on the basic financial statements and the combining and individual fund financial statements 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 1, 2011

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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 related to the Court's annual audit and operations, (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, 2011. The year saw a total of 119,308 new case filings, of which 102,482 were criminal and 16,826 were civil.

Collections

The Court collected approximately \$6.8 million in fines and fees during the fiscal year, of which \$5.7 million (84%) was distributed to various state and local government agencies. The balance of collected funds, approximately \$1.1 million (16%) was used by the Court's warrant enforcement and mediation funds in accordance to their statutory funding requirements.

Bail Bond Postings

Approximately 21,630 cash, surety and property bail bonds totaling approximately \$69.7 million were posted at the Court during the year.

Capital Asset Activity

The Court experienced a decline of \$2,534,778 in the value of its capital assets in fiscal year 2011. The decrease is almost entirely attributable to annual depreciation and amortization expense exceeding the year's capital asset additions.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Specialty Court Program Highlights

Domestic Violence Early Intervention Program (DVEIP)

DVEIP is a pre-adjudication program intended for defendants who have been charged with domestic violence. The program began the year with 207 participants and enrolled 323 new defendants during the year, for a total of 530 supervised defendants. The program graduated 323 participants in FY11 for a graduation rate of 89%, and retention rate of 93%. In addition, EIP officers supervised an average of 165 defendants that had a pending domestic violence charge each month on "pre-adjudication" supervision.

Domestic Violence Repeat Offender Program (DVROP)

DVROP is an intensive, post-adjudication program intended for defendants charged with a misdemeanor crime of domestic violence who have prior domestic violence convictions. The program enrolled 35 participants into the program during the year. The program graduated 14 participants in FY11 for a graduation rate of 75% and a retention rate of 97%. In addition, the DVROP officer supervised an average of 10 defendants on "pre-adjudication" supervision pending placement into the DVROP program.

DWI-Drug Court

Since inception in 1997, there have been 2,373 defendants that have graduated from this program. During the year there were 267 "new" enrollments and 253 graduates. The program had a graduation rate for the year of 78% and a retention rate of 88%. The three year recidivism rate for the program was 3.84% and the cost per participant per day was \$10.64 during FY11. To better serve the community, the Court's program has specialized services for Spanish Language, Urban Native American, and participants with co-occurring disorders.

Mental Health Court (MHC)

This program identifies defendants who have a mental health diagnosis or disorder. It assists in referring participants to appropriate community services and facilitates placement in a structured judicial oversight program incorporating a therapeutic jurisprudence model. This program had a beginning enrollment of 125 participants as of July 1, 2010. There were 136 new enrollments during the year resulting in 261 MHC participants. The program graduated 105 participants in FY11 for a graduation rate of 83% and a program retention rate of 92%. Under the MHC "enhancement component" there was a monthly average of 36 additional defendants under supervision with a "mental-health" probation officer and 37 defendants placed under pre-trial supervision pending resolution of a "competency" evaluation.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Competency Court

During the year, there were 721 cases referred for competency determination resulting in 382 forensic evaluations.

Other Programs

Community Service Program

Defendants may be Court ordered to complete community service as part of a sentence or may elect community service as a means to pay assessed fines and fees. During the year, there were 49,349 defendants sentenced or authorized to perform 154,092 hours of community service work, resulting in a value of \$1,117,167 provided to various governmental and not-for-profit agencies both within and outside Bernalillo County.

Mediation Division

The Court's highly regarded Mediation Division started serving the community in 1986. This Division significantly reduces the cost 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 2,500 hours to the Court during the year. 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) as well as the Court's liabilities as of the end of the fiscal year.

The Statement of Activities, like a corporate income statement, details the Court's revenues for the fiscal year as well as 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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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.

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 2011 was statutorily reduced by \$1,437,900 which is a 6.3% decrease compared to the preceding fiscal year. The Court's non-reverting Warrant, Mediation and Parking fund budgets remained relatively level compared to the prior fiscal year.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Government-Wide Financial Analysis

Statement of Net Assets

	Government Activities FY 2010	Government Activities FY 2011	Total Percentage Change FY 10-11
Current assets	\$ 2,495,021	1,929,071	-23%
Capital assets less accumulated Depreciation	<u>67,209,201</u>	<u>64,674,423</u>	-4%
Total assets	<u>69,704,222</u>	<u>66,603,494</u>	-4%
Liabilities	\$ 2,381,988	1,732,626	-27%
Net Assets			
Invested in capital assets	\$ 67,209,201	64,674,423	-4%
Restricted	888,720	912,122	26%
Unrestricted (deficit)	<u>(775,687)</u>	<u>(715,677)</u>	8%
Total net assets	<u>\$ 67,322,234</u>	<u>64,870,868</u>	-4%

Capital assets, net of accumulated depreciation, decreased by \$2,534,778. The investment in capital assets increased by \$152,718 and was primarily in machinery, equipment and buildings. It was more than offset by \$2,687,496 of depreciation expense during the same period.

The Court's liability for unpaid compensated absences decreased to \$715,677 during the year ended June 30, 2011, as a result of more leave being taken than accrued.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Statement of Activities

The following schedule presents the revenues and expenses for the fiscal years 2010 and 2011:

	Government Activities FY 2010	Government Activities FY 2011	Total Percentage Change FY 10-11
Expenses			
Judiciary	\$ (28,134,246)	(27,192,178)	-3%
Program revenues	<u>2,891,638</u>	<u>3,153,052</u>	9%
Net (expenses) revenues	<u>(25,242,608)</u>	<u>(24,039,126)</u>	-5%
General revenues and (expenses)			
General fund appropriation	22,697,400	21,259,600	-6%
Insurance recoveries	-	388,032	100%
Transfers	<u>(256,004)</u>	<u>(59,872)</u>	-77%
Total general revenues and transfers	<u>22,441,396</u>	<u>21,587,760</u>	-4%
Change in net assets	(2,801,212)	(2,451,366)	-12%
Net assets, beginning	<u>70,123,446</u>	<u>67,322,234</u>	-4%
Net assets, ending	<u>\$ 67,322,234</u>	<u>64,870,868</u>	-4%

The following schedule presents the final budget for the general fund, including all grant awards:

	Final Budget	Actual Expenditures	Favorable Variance
Personal Services & Employee Benefits	\$ 17,914,468	17,905,414	9,054
Contractual Services	2,481,400	2,459,570	21,830
Other Costs	<u>2,274,100</u>	<u>2,255,447</u>	<u>18,653</u>
	<u><u>\$ 22,669,968</u></u>	<u><u>22,620,431</u></u>	<u><u>49,537</u></u>

The Court reverted \$38,828 from unexpended funds in the General Fund and \$21,044 from non-budgeted In-house Screening Fee revenues, for a total FY11 reversion of \$59,872.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

The Court's Funds

Government Funds

As of June 30, 2011, the government funds (as presented on the balance sheet) reported a fund balance of \$912,122, of which \$481,459 relates to the Warrant Enforcement Fund; \$124,141 to the Parking Facility Fund and \$306,522 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 Bernalillo County Metropolitan Court general fund was appropriated \$22,143,200 within the Laws of the 2010, 2nd Special Session, Chapter 6, Section 4. However, Section 10 of the same legislation required \$170,700 of additional general fund cuts. Thus, the adjusted original FY11 general fund operating budget totaled \$21,972,500.

The Department of Finance and Administration (DFA) was given the authority within Section 14 of the same legislation to reduce allotments if projected revenue was coming in lower than anticipated appropriations. Recognizing that the reduction was forthcoming and due to the already projected significant shortfall in personal services and employee benefits, the Court implemented mandatory furloughs on the last Friday of both July and August for two hours each day. Additionally, the Court's 19 Judges accepted voluntary furloughs resulting in a total furlough savings of \$28,000 between Judges and staff. In August of 2010, DFA utilized its authority and the general fund appropriation was reduced by \$712,900. To prevent furloughs for the remainder of the fiscal year, the Court received one-time funding of \$70,000 from the American Recovery and Reinvestment Act to supplement the budget shortfall in personal services and employee benefits. In addition to that award, the Court continued to hold a high vacancy rate of 9.64% to assure that the budget would be met.

The Court received \$425,000 of Liquor Excise Tax funds (LET) and \$25,000 of federal funds to help support the Court's DWI/Drug Court program. This program provides treatment and counseling services to alcohol and drug dependent DWI offenders.

Additionally, there was an increase from the fund balance of the Court's non-reverting Warrant fund. This was necessary to assure that the budget authority needed for the Warrant Fund personal services and employee benefits was available.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Anticipated Changes

The approved general fund operating budget for FY12 was reduced by \$201,700. The Court's non-reverting Warrant, Mediation and Parking fund budgets remained level to the prior fiscal year.

The Court anticipates that despite extensive efforts to reduce all expenditures and contracts, it will be short of meeting its FY12 personal services and employee benefits operating budget. As a consequence, the Court increased its General Fund budget by \$126,300 from the mediation fund balance to pay for a portion of the three mediation employees' estimated payroll for FY12.

In FY12, the Court received \$253,400 in Liquor Excise Tax (LET) funds from an appropriation provided to the Administrative Office of the Courts (AOC) from the DFA – Local Government Division. Future fiscal years' funding of this program remains unknown at this time as the Court was denied a Federal Grant in October 2011 and has received no assurances that the LET money will be made available in FY13.

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 FY12, the award remains flat and continues to fund the personal services and employee benefits for two probation officers. 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, 2011**

Governmental
 Activities

ASSETS

Current Assets

Petty cash	\$ 4,150
Interest in State Treasurer General Fund Investment Pool	1,665,870
Fines and fees receivable, net	63,946
Grants and contracts receivable	195,105
Total current assets	<u>1,929,071</u>

Capital assets

Land	6,640,478
Capital assets being depreciated	58,033,945
Total capital assets, net of accumulated depreciation	<u>64,674,423</u>

Total assets

66,603,494

LIABILITIES

Current Liabilities

Accounts payable	330,226
Accrued payroll and related taxes	626,830
Due to State General Fund	59,893
Compensated absences payable	715,677
Total current liabilities	<u>1,732,626</u>

NET ASSETS

Invested in capital assets	64,674,423
Restricted	912,122
Unrestricted (deficit)	<u>(715,677)</u>
Total net assets	<u>\$ 64,870,868</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011**

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants	Governmental Activities
Governmental Activities				
Judicial	\$ 26,541,560	1,457,066	913,523	(24,170,971)
Preventative programs	90,592	-	90,592	-
Parking facility operations	539,501	609,453	-	69,952
Mediation	20,525	82,418	-	61,893
Total governmental activities	27,192,178	2,148,937	1,004,115	(24,039,126)
General Revenues and Transfers				
State General Fund appropriation - 2011				21,259,600
Insurance recoveries				388,032
Reversion to State General Fund - 2011				(59,872)
Total general revenues				21,587,760
Change in net assets				(2,451,366)
Net assets, beginning				67,322,234
Net assets, ending				\$ 64,870,868

See Notes to Financial Statements.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 June 30, 2011

	General Fund	Warrant Enforcement Fund	Parking Facility Fund	Mediation Fund	Capital Projects Fund	ARRA Fund	Total Governmental Funds
ASSETS							
Current Assets							
Petty cash	\$ 4,150	-	-	-	-	-	4,150
Interest in State General Fund Investment Pool	551,193	673,999	117,283	323,395	-	-	1,665,870
Fines and fees receivable, net	880	10,289	51,632	1,145	-	-	63,946
Grant and contracts receivable	195,105	-	-	-	-	-	195,105
Total assets	\$ 751,328	684,288	168,915	324,540	-	-	1,929,071
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	285,000	-	44,753	473	-	-	330,226
Accrued payroll and taxes	406,456	202,829	-	17,545	-	-	626,830
Due to State General Fund	59,872	-	21	-	-	-	59,893
Total liabilities	751,328	202,829	44,774	18,018	-	-	1,016,949
Fund Balances							
Nonspendable	4,150	-	-	-	-	-	4,150
Restricted	-	481,459	124,141	306,522	-	-	912,122
Unassigned (deficit)	(4,150)	-	-	-	-	-	(4,150)
Total fund balances	-	481,459	124,141	306,522	-	-	912,122
Total liabilities and fund balances	\$ 751,328	684,288	168,915	324,540	-	-	1,929,071

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, 2011**

Total fund balances - governmental funds \$ 912,122

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	3,149,136
Building, land and parking facility	76,907,105
Accumulated depreciation	<u>(22,022,296)</u>

Total capital assets, net of accumulated depreciation 64,674,423

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

Compensated absences payable	<u>(715,677)</u>
------------------------------	------------------

Net assets of governmental activities \$ 64,870,868

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, 2011

	General Fund	Warrant Enforcement Fund	Parking Facility Fund	Mediation Fund	Capital Projects Fund	ARRA Fund	Total Governmental Funds
Revenues							
Fines and fees	\$ 486,588	970,478	609,453	82,418	-	-	2,148,937
Grants and contracts	934,115	-	-	-	-	70,000	1,004,115
Total revenues	1,420,703	970,478	609,453	82,418	-	70,000	3,153,052
Expenditures general government - judiciary							
Current							
Personal services	12,881,619	643,727	-	-	-	56,267	13,581,613
Employee benefits	5,023,795	276,833	-	-	-	13,733	5,314,361
In-state travel	4,128	-	30	-	-	-	4,158
Maintenance and repairs	767,957	3,363	52,896	1,218	388,032	-	1,213,466
Supplies and materials	322,917	1,996	1,230	6,915	-	-	333,058
Contractual services	2,459,570	126,587	402,600	556	-	-	2,989,313
Operating costs	1,005,893	26,415	82,741	11,836	-	-	1,126,885
Other costs	1,128	-	4	-	-	-	1,132
Out-of-state travel	706	-	-	-	-	-	706
Capital outlay	152,718	-	-	-	-	-	152,718
Total expenditures	22,620,431	1,078,921	539,501	20,525	388,032	70,000	24,717,410
Excess (deficiency) of revenues over expenditures	(21,199,728)	(108,443)	69,952	61,893	(388,032)	-	(21,564,358)
Other financing sources (uses)							
State General Fund appropriation	21,259,600	-	-	-	-	-	21,259,600
Insurance recoveries	-	-	-	-	388,032	-	388,032
Reversion to State General Fund - 2011	(59,872)	-	-	-	-	-	(59,872)
Total other financing sources (uses)	21,199,728	-	-	-	388,032	-	21,587,760
Net change in fund balances	-	(108,443)	69,952	61,893	-	-	23,402
Fund balances, beginning	-	589,902	54,189	244,629	-	-	888,720
Fund balances, ending	\$ -	481,459	124,141	306,522	-	-	912,122

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, 2011**

Net change in fund balances (Statement of Revenues,
 Expenditures and Changes in Fund Balances) \$ 23,402

Amounts reported for governmental activities in the
 Statement of Activities are different for the year
 ended June 30, 2011 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 60,010

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	\$ 152,718
Depreciation	<u>(2,687,496)</u>
Excess of depreciation over capital outlay	<u>(2,534,778)</u>
Change in net assets of governmental activities (Statement of Activities)	<u>\$ (2,451,366)</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, 2011**

	General Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ 824,100	824,100	818,523	(5,577)
Charges for services	39,700	39,700	58,001	18,301
Grants	118,100	118,100	115,592	(2,508)
Other	-	3,468	3,587	119
Total revenues	981,900	985,368	995,703	10,335
Expenditures				
Personal services/employee benefits	17,971,300	17,914,468	17,905,414	9,054
Contractual services	2,705,600	2,481,400	2,459,570	21,830
Other costs	2,306,400	2,274,100	2,255,447	18,653
Total expenditures	22,983,300	22,669,968	22,620,431	49,537
Excess (deficiency) of revenues over expenditures	(22,001,400)	(21,684,600)	(21,624,728)	59,872
Other financing sources (uses)				
State general fund appropriations	21,972,500	21,259,600	21,259,600	-
Reversions	-	-	(59,872)	(59,872)
Other financing sources - fines and fees	28,900	425,000	425,000	-
Other financing uses	-	-	-	-
Total other financing sources (uses)	22,001,400	21,684,600	21,624,728	(59,872)
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, 2011**

	Warrant Enforcement Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ -	-	-	-
Charges for services	1,482,700	1,342,700	970,478	(372,222)
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	1,482,700	1,342,700	970,478	(372,222)
Expenditures				
Current				
General government				
Personal services/employee benefits	1,128,300	1,128,300	920,560	207,740
Contractual services	295,600	295,600	126,587	169,013
Other costs	58,800	58,800	31,774	27,026
Total expenditures	1,482,700	1,482,700	1,078,921	403,779
Excess of revenues over expenditures	-	(140,000)	(108,443)	31,557
Other financing sources				
State general fund appropriations	-	-	-	-
Other financing uses	-	-	-	-
Total other financing sources	-	-	-	-
Cash balance required to balance budget	-	140,000	-	(140,000)
Net change in fund balance	\$ -	-	(108,443)	(108,443)

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, 2011**

	Parking Facility Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ -	-	-	-
Charges for services	-	-	-	-
Grants	-	-	-	-
Other	689,700	689,700	609,453	(80,247)
Total revenues	<u>689,700</u>	<u>689,700</u>	<u>609,453</u>	<u>(80,247)</u>
Expenditures				
Current				
General government				
Personal services/employee benefits	-	-	-	-
Contractual services	444,800	444,800	402,600	42,200
Other costs	229,900	229,900	136,901	92,999
Total expenditures	<u>674,700</u>	<u>674,700</u>	<u>539,501</u>	<u>135,199</u>
Excess (deficiency) of revenues over expenditures	<u>15,000</u>	<u>15,000</u>	<u>69,952</u>	<u>54,952</u>
Other financing sources				
State general fund appropriations	-	-	-	-
Other financing uses	(15,000)	(15,000)	-	15,000
Total other financing sources (uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>
Cash balance required to balance budget	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>69,952</u>	<u>69,952</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, 2011**

	Mediation Fund			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local governments	\$ -	-	-	-
Charges for services	31,800	31,800	82,418	50,618
Grants	-	-	-	-
Other	-	-	-	-
Total revenues	31,800	31,800	82,418	50,618
Expenditures				
Current				
General government				
Personal services/employee benefits	-	-	-	-
Contractual services	2,500	2,500	556	1,944
Other costs	29,300	29,300	19,969	9,331
Total expenditures	31,800	31,800	20,525	11,275
Excess (deficiency) of revenues over expenditures	-	-	61,893	61,893
Other financing sources				
State general fund appropriations	-	-	-	-
Other financing sources	-	-	-	-
Other financing uses	-	-	-	-
Total other financing sources	-	-	-	-
Cash balance required to balance budget	-	-	-	-
Net change in fund balance	\$ -	-	61,893	61,893

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, 2011**

	ARRA Fund			Variance Favorable (Unfavorable)
	Original Budget	Approved Revised Budget	Actual	
Revenues				
Local governments	\$ -	-	-	-
Charges for services	-	-	-	-
Grants	-	70,000	70,000	-
Other	-	-	-	-
Total revenues	-	70,000	70,000	-
Expenditures				
Current				
General government				
Personal services/employee benefits	-	70,000	70,000	-
Contractual services	-	-	-	-
Other costs	-	-	-	-
Total expenditures	-	70,000	70,000	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources				
State general fund appropriations	-	-	-	-
Other financing sources	-	-	-	-
Other financing uses	-	-	-	-
Total other financing sources	-	-	-	-
Cash balance required to balance budget	-	-	-	-
Net change in fund balance	\$ -	-	-	-

See Notes to Financial Statements.

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
 June 30, 2011**

Agency Funds

ASSETS

Interest in State General Fund Investment Pool	\$ 4,733
Cash on deposit in banks	<u>945,740</u>
Total assets	<u><u>\$ 950,473</u></u>

LIABILITIES

Deposits held for others	\$ 945,740
Due to the State of New Mexico General Fund	<u>4,733</u>
Total liabilities	<u><u>\$ 950,473</u></u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

**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.

The government-wide Statement of Activities reflects both the gross and net cost per functional category which are otherwise being supported by general

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

B. Basic Financial Statements (Continued)

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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

B. Basic Financial Statements (Continued)

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.

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

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

C. Basis of Presentation (Continued)

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. SHARE Fund number is 15400.

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, New Mexico, pursuant to NM State Statute Section 34-8A-14, NMSA 1978 Compilation. 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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

C. Basis of Presentation (Continued)

Special Revenue Fund - American Recovery and Reinvestment Act (ARRA) of 2009 Fund. This Fund was established to budget for the federal award of ARRA funding that was granted from the Governor's Office to supplement the budget shortfall that had attributed to the start of furloughs and Court closures. The funds were received as a pass-through from the Administrative Office of the Courts. This Fund is non-reverting. SHARE Fund number is 89000.

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.

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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

E. Basis of Accounting (Continued)

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.

F. Net Assets or Fund Equity

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the Legislature's and Executive Branch's intent to be used for specific purposes or in some cases by legislation. See Note 8 for additional information about fund balances. At June 30, 2011, the Court had no committed or assigned fund balances.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

G. 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, 2011**

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

G. 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 2011 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, Warrant Enforcement and ARRA Special Revenue Funds are non-reverting funds.

H. 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

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

H. Compensated Absences (Continued)

hours over 600 hours of accumulated sick leave. Therefore, the only sick leave which has been accrued represents the hours earned at June 30, 2011, 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, 2011, and includes 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.

I. 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.

J. 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) and restricted.

Restricted Assets – are amounts that can only be spent for the specific purpose stipulated by constitution, external resource providers, or through enabling legislation.

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, 2011**

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

J. 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.

K. 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.

L. 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

M. 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, 2011, 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, 2011**

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

N. Reclassification

Certain 2010 amounts have been reclassified in order to be consistent with the 2011 presentation.

**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	\$ 551,193
Special Revenue Funds		
Mediation Fund	93000	323,395
Warrant Enforcement Fund	69300	673,999
Parking Facility Fund	72900	<u>117,283</u>
Total - governmental		<u>1,665,870</u>
Agency Funds		
Refund Suspense Fund	82400	<u>4,733</u>
Total - agency funds		<u>4,733</u>
Total interest in the State Treasurer investment pool		<u>\$ 1,670,603</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

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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

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. Detail of pledged collateral specific to this agency is unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer's Office Collateral Bureau monitors pledged collateral for all state funds held by state agencies in such authorized bank accounts.

The following is a listing of the Court's deposits of public monies grouped by depository financial institution as of June 30, 2011:

	Bank Account Type	Bank Amount
Wells Fargo Bank		
Cash Bail Bond	Checking	\$ 724,286
Parking Facility	Checking	18,071
Fiscal Agency (Civil)	Checking	210,422
Civil Trust	Checking	<u>29,625</u>
Total demand deposits		982,404
FDIC coverage		<u>982,404</u>
Uninsured balance		<u><u>\$ -</u></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, 2011, the Court's noninterest deposits with Wells Fargo were fully insured under the Dodd-Frank Wall Street Reform and Consumer Protection Act of the FDIC:

Insured	\$ 982,404
Collateralized:	
Collateral held by the Court or in the Court's name	-
Uninsured and uncollateralized	<u>-</u>
Total deposits	<u><u>\$ 982,404</u></u>

**STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2011**

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

Reconciled amount by fund per financial statements at June 30, 2011, is as follows:

General Fund	
Operating account	\$ 551,193
Special Revenue Funds	
Warrant Enforcement Fund	673,999
Mediation Fund	323,395
Parking Facility Fund	<u>117,283</u>
Total investment in State General Fund	
Investment Pool per Statement of Net Assets	<u>1,665,870</u>
Fiduciary Funds	
Wells Fargo checking accounts	982,404
Interest in State General Fund Investment Pool	<u>4,733</u>
	<u>987,137</u>
Total investment in State General Fund Investment Pool and banks, per financial statements	2,653,007
Add: Outstanding checks and other reconciling items - net	<u>(36,663)</u>
Total investment in State General Fund Investment Pool and banks	<u>\$ 2,616,344</u>

NOTE 3. OUTSTANDING JUDGMENTS

Potential Fine and Fees Receivable

At June 30, 2011 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, 2011**

NOTE 4. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2011 is as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Court capital assets not being depreciated				
Land	\$ 6,640,478	-	-	6,640,478
Court depreciable capital assets				
Machinery, equipment and vehicles	3,435,051	134,903	(420,818)	3,149,136
Building and parking facility	76,889,290	17,815	-	76,907,105
Total depreciable assets	<u>80,324,341</u>	<u>152,718</u>	<u>(420,818)</u>	80,056,241
Accumulated depreciation				
Machinery, equipment and vehicles	(3,243,691)	(47,451)	420,818	(2,870,324)
Building	<u>(16,511,927)</u>	<u>(2,640,045)</u>	-	(19,151,972)
Accumulated depreciation	<u>(19,755,618)</u>	<u>(2,687,496)</u>	<u>420,818</u>	(22,022,296)
Total capital assets, net of accumulated depreciation	<u>\$ 67,209,201</u>	<u>(2,534,778)</u>	-	64,674,423

Depreciation expense for the year ended June 30, 2011 was \$2,687,496 which was all charged to the general government function in the Statement of Activities.

NOTE 5. COMPENSATED ABSENCES PAYABLE

A summary of changes in the compensated absences payable for the year ended June 30, 2011 is as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due After One Year
Compensated absences					
Accrued annual leave	\$ 758,739	833,382	(890,778)	701,343	-
Accrued sick leave	<u>16,948</u>	<u>491,686</u>	<u>(494,300)</u>	14,334	-
	<u>\$ 775,687</u>	<u>1,325,068</u>	<u>(1,385,078)</u>	715,677	-

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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

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, 2011, 2010 and 2009 were \$1,727,313, \$1,809,077 and \$2,035,049, respectively, which equal the amount of the required contributions for each fiscal year.

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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 6. RETIREMENT PLANS (CONTINUED)

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, P.O. 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, 2011, 2010 and 2009 were \$209,650 \$210,506 and \$240,289, respectively, equal to the amount of the required contributions for each year.

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.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 7. POST-EMPLOYMENT BENEFITS (CONTINUED)

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 N.E., Suite 104, Albuquerque, New Mexico 87107.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and 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, 2011**

NOTE 7. POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
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]) during the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 2.084% of each participating employee's annual salary, and each participating employee was required to contribute 1.042% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contributions rates for both employees and employers will rise as follows:

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
FY12	2.292%	1.146%
FY13	2.500%	1.250%

Also, employers joining the program after January 1, 1998 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 for employees for the years ended June 30, 2011, 2010 and 2009 were \$229,859, \$123,013 and \$183,292, respectively, which equal the required contributions for each year. The Court's remitted for Judges' contributions for the years ended June 30, 2011, 2010 and 2009 were \$41,601, \$57,224 and \$91,646, respectively, which equal the required contributions for each year.

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 8. GOVERNMENTAL FUND BALANCES

The Court's fund balances represent: Restricted Purposes which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors contributors, or laws or regulations of other governments. A summary of the nature and purposes of these reserves by fund type at June 30, 2011 follows:

<u>Fund/Program</u>	<u>Description</u>	<u>Nonspendable</u>	<u>Restricted Purposes</u>
General Fund	Petty Cash	4,150	-
Warrant Enforcement Fund	NMSA 1978, Section 34-8A-12	-	481,459
Parking Facility Fund	NMSA 1978, Section 34-8A-14	-	124,141
Mediation Fund	NMSA 1978, Section 34-8A-10	-	306,522
Total Fund Balance		<u>4,150</u>	<u>912,122</u>

NOTE 9. 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, 2010 through June 30, 2011.

NOTE 10. 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 \$58,593 or the year ended June 30, 2011. Future minimum payments under the equipment leases are as follows:

Year Ending June 30	Amount
2012	\$ 58,593
2013	58,593
2014	<u>38,252</u>
Total	<u>\$ 155,438</u>

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 11. 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, 2011. (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: \$818,523.
- B. 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: \$90,592.
- C. An agreement with the Administrative Office of the Courts to fund the provider contract for the DWI Drug Court with Liquor Excise Tax funding. Total received and accrued for the fiscal year: \$425,000.
- D. An agreement with the Administrative Office of the Court to fund the provider contract for the DWI Drug Court with Federal Funding. Total received and accrued for the fiscal year: \$25,000.

NOTE 12. INTERAGENCY TRANSFERS

From	To	Amount	Purpose
SHARE Fund 85300	SHARE Fund 15400	\$ 21,259,600	General Fund appropriation
SHARE Fund 13900	SHARE Fund 15400	425,000	Drug Court Liquor Excise Tax Fund Reimbursement
SHARE Fund 89000	SHARE Fund 89000	70,000	Transfer of ARRA Funds from AOC to the Court
SHARE Fund 15400	SHARE Fund 85300	59,872	2011 Reversion
SHARE Fund 15400	SHARE Fund 85300	5,148	Prior Year Reversion
SHARE Fund 15400	SHARE Fund 85300	591	Stale Dated Warrants
SHARE Fund 15400	SHARE Fund 53200	2,851	Copier Revenue Transfer
SHARE Fund 15400	SHARE Fund 14200	1,919	Payroll Liability Transfer
SHARE Fund 14200	SHARE Fund 15400	83	Payroll Liability Transfer
SHARE Fund 72900	SHARE Fund 85300	21	Prior Year Reversion

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 13. INSURANCE RECOVERIES

The Court filed an insurance claim with the General Services Department (GSD) after it incurred severe roof damage. The total received by the Court from GSD was \$388,032 and the Court supplemented the GSD funds with \$17,815 of general fund to ensure a thicker membrane would be applied and extend the life of the roof. The general fund portion of the upgraded membrane has been capitalized.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL
 CAPITAL PROJECTS FUND
 Year Ended June 30, 2011

	Capital Projects Fund			Variance Favorable (Unfavorable)
	Original Budget	Approved Revised Budget	Actual	
Expenditures				
Current				
General government				
Personal services/employee benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other costs	-	388,032	388,032	-
Total expenditures	-	388,032	388,032	-
Excess (deficiency) of revenues over expenditures	-	(388,032)	(388,032)	-
Other financing sources				
Insurance Recoveries	-	388,032	388,032	-
Total other financing sources	-	388,032	388,032	-
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, 2011**

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. Funds are maintained in a separate bank account with Wells Fargo Bank in Albuquerque.

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. Funds are maintained in a separate bank account with Wells Fargo Bank in Albuquerque.

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. Funds are maintained in a separate bank account with Wells Fargo Bank in Albuquerque.

STATE OF NEW MEXICO
 BERNALILLO COUNTY METROPOLITAN COURT
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 June 30, 2011

	Fines and Fees Revenue	Cash Bail Bonds	Civil Trust	Refund Suspense Account	Parking Facility	Total
ASSETS						
Interest in State Treasurer General Fund						
Investment Pool	\$ -	-	-	4,733	-	4,733
Cash	173,576	731,427	23,841	-	16,896	945,740
	<u>\$ 173,576</u>	<u>731,427</u>	<u>23,841</u>	<u>4,733</u>	<u>16,896</u>	<u>950,473</u>
LIABILITIES						
Deposits held for others	\$ 173,576	731,427	23,841	-	16,896	945,740
Due to the State of New Mexico General Fund	-	-	-	4,733	-	4,733
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,733</u>	<u>-</u>	<u>4,733</u>
Total liabilities	<u>\$ 173,576</u>	<u>731,427</u>	<u>23,841</u>	<u>4,733</u>	<u>16,896</u>	<u>950,473</u>

STATE OF NEW MEXICO
 BERNALILLO COUNTY METRO COURT
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Fines and Fees Revenue Fund				
Assets				
Cash	\$ 691,483	6,735,248	(7,253,155)	173,576
Liabilities				
Deposits held for others	\$ 691,483	6,735,248	(7,253,155)	173,576
Cash Bail Fund				
Assets				
Cash	\$ 1,059,082	2,802,289	(3,129,944)	731,427
Liabilities				
Deposits held for others	\$ 1,059,082	2,802,289	(3,129,944)	731,427
Civil Trust Fund				
Assets				
Cash	\$ 30,590	84,730	(91,479)	23,841
Liabilities				
Deposits held for others	\$ 30,590	84,730	(91,479)	23,841
Refund Suspense Account Fund				
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 3,731	16,743	(15,741)	4,733
Liabilities				
Due to the State of New Mexico General Fund	\$ 3,731	16,743	(15,741)	4,733
Parking Facilities Fund				
Assets				
Cash	\$ 55,070	631,104	(669,278)	16,896
Liabilities				
Deposits held for others	\$ 55,070	631,104	(669,278)	16,896
Total All Agency Funds				
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 3,731	16,743	(15,741)	4,733
Cash	1,836,225	10,253,371	(11,143,856)	945,740
Total assets	\$ 1,839,956	10,270,114	(11,159,597)	950,473
Liabilities				
Deposits held for others	\$ 1,836,225	10,253,371	(11,143,856)	945,740
Due to the State of New Mexico General Fund	3,731	16,743	(15,741)	4,733
Total liabilities	\$ 1,839,956	10,270,114	(11,159,597)	950,473

**Report of Independent Auditors 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, 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, 2011, which collectively comprise the Court's basic financial statements and have issued our report thereon dated December 1, 2011. 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

Management of the Court is responsible for establishing and maintaining effective 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

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

financial statements will not be prevented, or detected and corrected on a timely basis.

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 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 1, 2011

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2011**

PRIOR YEAR FINDINGS

None

CURRENT YEAR FINDINGS

None

**STATE OF NEW MEXICO
BERNALILLO COUNTY METROPOLITAN COURT
EXIT CONFERENCE
June 30, 2011**

We discussed the results of the audit during the exit conference held November 29, 2011. The exit conference was attended by the following individuals:

State of New Mexico, Bernalillo County Metropolitan Court:

Judith K. Nakamura, Chief Judge
Brian W. Gilmore, Court Executive Officer
Edward C. Prunier, Jr., Deputy Court Executive Officer
Jonathan Ash, Finance Director/Chief Financial Officer
Rachael I. Monarch, Court Financial Manager
Robert L. Padilla, Deputy Court Executive Officer
Dana Cox, General Counsel
Patricia Elliot, HR Director
Lucinda Warner, Internal Auditor

Moss Adams LLP:

Jason W. Galloway, Senior Manager

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