

AUDITED FINANCIAL STATEMENTS
STATE OF NEW MEXICO
THIRTEENTH JUDICIAL DISTRICT ATTORNEY
For the Year Ended June 30, 2009

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STATE OF NEW MEXICO
THIRTEENTH JUDICIAL DISTRICT ATTORNEY

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For the Year Ended June 30, 2009

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STATE OF NEW MEXICO
THIRTEENTH JUDICIAL DISTRICT ATTORNEY

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STATE OF NEW MEXICO
THIRTEENTH JUDICIAL DISTRICT ATTORNEY

OFFICIAL ROSTER
As of June 30, 2009

Name

Mr. Lemuel Martinez

Ms. Yvette Gurule

Title

District Attorney

District Office Manager

Mr. Hector H. Balderas
New Mexico State Auditor
and
Mr. Lemuel Martinez,
State of New Mexico - Thirteenth Judicial District Attorney
Rio Rancho, New Mexico

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison statement of the General Fund of the State of New Mexico, Thirteenth Judicial District Attorney (District Attorney) as of and for the year ended June 30, 2009, which collectively comprise the District Attorney's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the District Attorney's non-major governmental funds presented as supplemental information in the combining and individual funds financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District Attorney's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 District Attorney's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1-A, the financial statements of the State of New Mexico, Thirteenth Judicial District Attorney, are intended to present the financial position and changes of financial position of only that portion of the governmental activities, each major fund and aggregate remaining fund information and budgetary comparison statement of the State that is attributable to the transactions of the District Attorney. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2009 and the changes in its financial position thereof and the respective budgeting 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, the aggregate remaining fund information of the District Attorney, as of June 30, 2009, and the respective changes in financial position and respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non major governmental of the District Attorney as of June 30, 2009, and the respective changes in financial position and the respective budgetary comparison thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 24, 2009 on our consideration of the District Attorney'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 that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 4 and 5 are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquires 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 performed for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District Attorney. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them. The Schedule of Changes in Assets and Liabilities – 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 auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects to the financial statements taken as a whole.

Robert S. Marquez, CPA
November 24, 2009

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Management's Discussion and Analysis

June 30, 2009

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of the following: government-wide financial statements, governmental funds statements, and a statement reconciling the above mentioned statements.

Basic Financial Statements (Statement of Net Assets and Statement of Activities)

Basic financial statements report information about the Thirteenth Judicial District Attorney as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The basic financial statements report the Thirteenth Judicial District Attorney's net assets and how they have changed.

Fund Financial Statements (Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance)

The fund financial statements provide more detailed information about the Thirteenth Judicial District Attorney's significant funds. Funds are accounting devices that the Thirteenth Judicial District Attorney uses to keep track of specific sources of funding and spending for particular purposes.

The Thirteenth Judicial District Attorney operates on its State General Fund appropriations and a budget which is approved by the State Legislature each year.

Analysis of Financial Position (Statement of Net Assets)

Total Assets: Consist of cash of \$768,028 on deposit, accounts receivable of \$31,564 and capital assets, net of accumulated depreciation of \$78,569. Total assets are \$878,161.

Total Liabilities: Consist of current liabilities \$920,680. Total liabilities are \$920,680.

Net Assets: Consist of \$78,569 invested in capital assets net of related debt, \$121,088 unrestricted deficit and total net assets deficit of \$42,519.

Results of Operation (Statement of Activities)

Total Revenues: Consist of \$4,738,700 for operational purposes, State General Fund appropriation.

Total Expenses: Consist of \$4,709,820 mainly for operational, employee salaries and benefits and operating costs purposes.

Changes in Net Assets: The Thirteenth Judicial District Attorney's total revenue increased by approximately 14.13% from \$4,151,900 to 4,738,700. The total expenses increased by approximately 16.63% from 4,038,247 to \$4,709,820.

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Management's Discussion and Analysis

June 30, 2009

Analysis of Thirteenth Judicial District Attorney's Overall Financial Position and Results of Operation.

There are significant changes in the Thirteenth Judicial District Attorney's Financial Position (Statement of Net Assets) and Operations (Statement of Activities) from prior year. Total assets increased from \$634,101 to \$878,161. Net assets changed from a \$68,244 deficit to a deficit of \$42,519.

For additional information call 505-896-3952.

General Fund Budgetary Highlights

The State Legislature makes annual appropriations to the Thirteenth Judicial District Attorney. Amendments to the budget require approval by the Budget Division of the Department of Finance and Administration (DFA).

<u>Statement of Net Assets</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>	<u>Increase (Decrease)</u>
Assets:			
Current assets	\$ 572,174	\$ 799,592	\$ 227,418
Noncurrent assets	<u>61,927</u>	<u>78,569</u>	<u>16,642</u>
Total assets	<u><u>634,101</u></u>	<u><u>878,161</u></u>	<u><u>244,060</u></u>
Liabilities:			
Current liabilities	<u>702,345</u>	<u>920,680</u>	<u>218,335</u>
Total current liabilities	<u><u>702,345</u></u>	<u><u>920,680</u></u>	<u><u>218,335</u></u>
Net Assets:			
Invested in capital assets	61,927	78,569	16,642
Unrestricted	<u>(130,171)</u>	<u>(121,088)</u>	<u>9,083</u>
Total net assets	<u><u>\$ (68,244)</u></u>	<u><u>\$ (42,519)</u></u>	<u><u>\$ 25,725</u></u>

<u>Statement of Activities</u>			
Expenses:			
Public Safety	\$ 4,038,247	\$ 4,854,320	\$ 816,073
Reversion	<u>8,493</u>	<u>3,155</u>	<u>(5,338)</u>
Total expenses	4,046,740	4,857,475	810,735
Revenues	<u>4,151,900</u>	<u>4,883,200</u>	<u>731,300</u>
Increase (decrease) in net assets	<u><u>\$ 105,160</u></u>	<u><u>\$ 25,725</u></u>	<u><u>\$ (79,435)</u></u>

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Statement of Net Assets

As of June 30, 2009

	<u>Governmental Activities</u>
ASSETS	
Investment in the State Treasurer General Fund Investment Pool	\$ 768,028
Due from other state agencies	31,564
Capital assets, net	<u>78,569</u>
Total assets	<u>878,161</u>
LIABILITIES	
Current liabilities:	
Accounts payable	24,352
Payroll benefits payable	61,776
Payroll taxes payable	35,358
Accrued payroll	99,638
Due General Fund	3,155
Deferred revenue	557,278
Accrued compensated absences	<u>139,123</u>
Total liabilities	<u>920,680</u>
NET ASSETS	
Invested in capital assets	78,569
Unrestricted net assets (deficit)	<u>(121,088)</u>
Total net assets	<u><u>\$ (42,519)</u></u>

See Independent Auditor's Report.

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

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Statement of Activities

As of June 30, 2009

Functions/Programs	<u>Expenses</u>	<u>Program Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets for Governmental Activities</u>
Governmental activities:			
Administrative services	\$ 5,116,574	\$ -	\$ -
Depreciation expense	<u>26,213</u>	<u>-</u>	<u>-</u>
Public safety	<u>5,142,787</u>	<u>288,467</u>	<u>4,854,320</u>
Total expenditures			<u>4,854,320</u>
General revenues:			
Transfers:			
State general fund appropriations:			
General			(4,738,700)
Other state funds			(144,500)
Reversions to state general fund - current			<u>3,155</u>
Total general revenues, special items and transfers			<u>(4,880,045)</u>
Change in net assets			25,725
Net assets, beginning of year			<u>(68,244)</u>
Net assets, end of year			<u>\$ (42,519)</u>

See Independent Auditor's Report.

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

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Balance Sheet – Governmental Funds

As of June 30, 2009

	<u>General Fund</u>	<u>Aggregated Non-Major Funds</u>	<u>Total</u>
ASSETS			
Investment in the State Treasurer General Fund	\$ 749,993	\$ 18,035	\$ 768,028
Due from other state agencies	<u>31,564</u>	-	<u>31,564</u>
Total assets	<u><u>781,557</u></u>	<u><u>18,035</u></u>	<u><u>799,592</u></u>
LIABILITIES			
Accounts payable	24,352	-	24,352
Payroll benefits payable	61,776	-	61,776
Payroll taxes payable	35,358	-	35,358
Accrued payroll	99,638	-	99,638
Due general Fund	3,155	-	3,155
Deferred revenue	<u>557,278</u>	-	<u>557,278</u>
Total liabilities	<u><u>781,557</u></u>	<u><u>-</u></u>	<u><u>781,557</u></u>
FUND BALANCE			
Fund Balance:			
Unreserved general and special revenue funds	<u>-</u>	<u>18,035</u>	<u>18,035</u>
Total fund balance	<u><u>-</u></u>	<u><u>18,035</u></u>	<u><u>18,035</u></u>
Total liabilities and fund balance	<u><u>\$ 781,557</u></u>	<u><u>\$ 18,035</u></u>	<u><u>\$ 799,592</u></u>

See Independent Auditor's Report.

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

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Reconciliation of the Balance Sheet to the Statement of Net Assets

As of June 30, 2009

Total fund balance - governmental funds (balance sheet)		\$ 18,035
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
These assets consist of:		
Capital assets	\$ 508,384	
Accumulated depreciation	<u>(429,815)</u>	
		78,569
Liabilities are not due and payable in the current period and therefore are not reported in the funds.		
These liabilities consist of:		
Compensated absences		<u>(139,123)</u>
Total net assets		<u>\$ (42,519)</u>

See Independent Auditor's Report.

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

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	<u>General Fund</u>	<u>Aggregated Non-Major Funds</u>	<u>Total</u>
Revenues:			
Intergovernmental revenues	\$ 288,467	\$ -	\$ 288,467
Total revenues	<u>288,467</u>	<u>-</u>	<u>288,467</u>
Expenditures			
Current:			
Personal services	4,450,845	-	4,450,845
Contractual services	126,834	-	126,834
Other costs	590,833	-	590,833
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,168,512</u>	<u>-</u>	<u>5,168,512</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>(4,880,045)</u>	<u>-</u>	<u>(4,880,045)</u>
Other financing sources:			
Transfers:			
State general fund appropriations	4,738,700	-	4,738,700
Other state funds	144,500	-	144,500
Reversions to state general fund - current	<u>(3,155)</u>	<u>-</u>	<u>(3,155)</u>
	<u>4,880,045</u>	<u>-</u>	<u>4,880,045</u>
Net change in fund balances	-	-	-
Fund balance:			
Beginning of year	<u>-</u>	<u>18,035</u>	<u>18,035</u>
	<u>-</u>	<u>18,035</u>	<u>18,035</u>
End of year	<u>\$ -</u>	<u>\$ 18,035</u>	<u>\$ 18,035</u>

See Independent Auditor's Report.

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

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Reconciliation of Changes in Fund Balance of Governmental Funds to
Changes in Net Assets per the Statement of Activities
For the Year Ended June 30, 2009

Net change in fund balances - total governmental funds \$ -

Some activities reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

These activities consist of:

Decrease in compensated absences 9,083

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense in the current period.

These amounts consist of:

Net increase in capital assets \$ 16,642 16,642

Change in net assets \$ 25,725

See Independent Auditor's Report.

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

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Statement of Revenues and Expenditures
Budget and Actual (Budget Basis)
Major Governmental Funds
For the Fiscal Year Ended June 30, 2009

	General fund			Variance Favorable (Unfavorable)
	Beginning Approved Budget	Final Approved Budget	Actual	
State general fund appropriations	\$ 4,978,600	\$ 4,883,200	\$ 4,883,200	\$ -
Intergovernmental revenue	<u>247,000</u>	<u>610,418</u>	<u>511,118</u>	<u>(99,300)</u>
Total revenues	<u>5,225,600</u>	<u>5,493,618</u>	<u>5,394,318</u>	<u>(99,300)</u>
Expenditures:				
Personal services	4,712,200	4,655,397	4,450,845	204,552
Contractual services	75,000	148,600	126,834	21,766
Other costs (and capital outlay)	438,400	689,621	590,833	98,788
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 5,225,600</u>	<u>\$ 5,493,618</u>	<u>\$ 5,168,512</u>	<u>\$ 325,106</u>

See Independent Auditor's Report.

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

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Statement of Fiduciary Assets and Liabilities – Agency Funds
As of June 30, 2009

	<u>Worthless Check Fees</u>	<u>Pre-Prosecution Diversion Fees</u>	<u>Total</u>
ASSETS			
Cash in bank	<u>\$ 1,610</u>	<u>\$ 8,436</u>	<u>\$ 10,046</u>
LIABILITIES			
Deposits held for others	<u>\$ 1,610</u>	<u>\$ 8,436</u>	<u>\$ 10,046</u>

See Independent Auditor's Report.

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

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Thirteenth Judicial District Attorney (District Attorney) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Government Accounting Standards Board, (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District Attorney's accounting policies are described below.

A. Reporting Entity

This District Attorney represents the State and Counties in criminal prosecution and civil matters, advises state and county officers and law enforcement agencies within the district, assists the general public, victims and witnesses, operates pre-prosecution diversion programs and generally acts as chief law officer for the judicial district as provided by the State Constitution and applicable statutes. Financing is provided by state appropriations.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP and GASB Statement 14.

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

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or 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 District Attorney is able to exercise oversight responsibility. Based on the application of these criteria, there are no component units identified or excluded from the reporting entity.

The District Attorney is legally separate and fiscally independent of other state agencies, has decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District Attorney is a part of the primary government of the State of New Mexico, and its financial data should be included with the financial data of the State. However, New Mexico does not, at present, issue an audited Comprehensive Annual Financial Report inclusive of all agencies of the primary government. Included within the reporting entity is the Thirteenth Judicial District Attorney as described above.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

B. Fund Accounting - Implementation of GASB 34

The District Attorney has implemented Governmental Accounting Standards Board (GASB) 34. The purpose of the new financial reporting model is to provide more understandable and useful financial reports to a wider range of users than the previous model.

GASB 34 requires governments to present certain basic financial statements as well as a management's discussion and analysis (MD&A) and certain other required supplementary information (RSI). The basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The government-wide financial statements report the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred. Pension trust funds recognize employer and participant contributions in the period in which contributions are due. Fiduciary funds that are fiduciary in nature are not included.

The District Attorney uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into three generic fund types and two broad fund categories as follows:

For its government-wide activities, the District has elected to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

Governmental Funds

General Fund - The General Fund (reverting and non-reverting) is the general operating fund of the District Attorney. It is used to account for all financial resources except those required to be accounted for in another fund. The general appropriation accounted for in this fund is reverting.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

B. Fund Accounting - Implementation of GASB 34 - Continued

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a non-expendable trust fund, or an expendable trust fund is used. The terms "non-expendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

C. Capital Assets and Depreciation

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The District Attorney capitalized capital expenditures for payments over \$5,000. If construction is financed, interest during construction is capitalized. District records assets (such as, furniture & equipment including software, building & improvements, and land) purchased at cost or, if contributed, at fair market value at date of donation. District is capitalizing and depreciating computer software developed for internal use. For net asset purposes, capital assets are depreciated using straight line over the estimated useful life of the asset. Although depreciation is not funded, it must be considered in order to properly reflect the results of operations and the replacement of the equipment and furniture. There is no related debt relating to capital assets.

Estimated useful lives are as follows:

Furniture, fixtures and equipment	7 years
Office equipment	6 years
Vehicles	5 years
Data processing	3 years

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Grants and similar items are recognized as revenue as soon all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available.) "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred. Those revenues susceptible to accrual are state appropriations and amounts due under service contracts.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

D. Basis of Accounting - Continued

Non-current portions of long-term receivables of governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered “available spendable resources” since they do not represent net current assets. Recognition of governmental fund type revenues represented by non-current receivables is deferred until they become current receivables.

Fiduciary funds are used to account for assets held by the District Attorney in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. The reporting focus is upon net assets and changes in net assets and are presented on the full accrual basis of accounting. Fiduciary funds are not included in the government-wide financial statements since they are not assets of the District Attorney available to support the District Attorney’s programs.

Special reporting treatments are also applied to governmental fund inventories to indicate that they do not present “available spendable resources”, even though they are a component of net current assets. Such amounts are generally offset by fund balance reserve accounts.

Program revenues represent funds received from Cities and Tribal governments and federal contracts for services.

E. Budgets and Budgetary Accounting

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

1. By September 1st, the District Attorney prepares a budget appropriations request by category to be presented to the next Legislature.
2. The appropriation request is submitted to the Department of Finance and Administration’s Budget Division (DFA) and to the Legislative Finance Committee (LFC).
3. DFA makes recommendations and adjustments to the appropriation request which become the Governor’s proposal to the Legislature.
4. LFC holds hearings on the appropriations request, also submitting recommendations and adjustments before presentation to the Legislature.
5. Both the DFA’s and LFC’s recommended appropriation proposals are presented to the Legislature for approval of the final budget plan.
6. Budgetary control is exercised at the expenditure category level of the District Attorney and changes between category totals and/or fund levels require the approval of the DFA.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

E. Budgets and Budgetary Accounting

7. Formal budgetary integration is employed as a management control device during the year for the General Fund.
8. The District Attorney's budget for the fiscal year ending June 30, 2009, was amended in a legally permissible manner by re-allocating line item category totals as the need arose during the fiscal year. Individual amendments were not material in relation to the original budget.
9. Appropriations lapse at the end of the fiscal year except for those amounts encumbered. Any unspent General Fund appropriations from the State revert back to the State General Fund.
10. Budgets for the General Fund and any Special Revenue Funds are presented on the modified accrual basis of accounting. Encumbrances related to single year appropriations lapse at year end. The portion of an encumbrance representing goods and services received by the last day of the fiscal year should be reclassified as accounts payable. Any remaining encumbrances related to single year appropriations must be reclassified as unreserved fund balance and a liability recorded to recognize any amount subject to reversion. Budgetary comparisons presented for the General Fund and Special Revenue Fund in this report are on the modified accrual basis except for the year end accounts payable that are not paid timely, they must be paid out of next year's budget.
11. There were no budgets adopted and no activity in the non-major funds.

F. Compensated Absences Payable

Full-time employees are entitled to accumulate annual leave at the rate of one and one-fourth days for each complete calendar month of services. A maximum of thirty working days of such accumulated annual leave may be carried forward into the beginning of the calendar leave year and any excess is lost. When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to a maximum of thirty days.

Employees are entitled to accumulate sick leave at the rate of one day for each calendar month of service. There is no limit to the amount of sick leave, which an employee may accumulate. State agencies are allowed to pay fifty (50) percent of each employee's hourly rate for accumulated sick leave over 600 hours up to 120 hours.

G. Inventory

Office supply inventory items are expensed when purchased. Therefore, the financial statements do not reflect inventories of office supplies on hand at June 30, 2009.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

H. Inter-fund transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All inter-fund transactions between governmental funds are eliminated on the government-wide statements. Inter-fund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

I. Fund Equity

Reserves represent those portions of fund equity not available for appropriation or expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for the future use of financial resources. Portions of the fund balances have been reserved for subsequent years' expenditures. The reservation portion of the fund balance may also be reserved for non-current receivables or inventories to indicate that the net receivable and/or inventory amounts are not "available expendable resources"

Net Assets

Net Assets is the difference between assets and liabilities. Net assets invested in capital assets - net of related debt, are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition or improvement of those assets. Net Assets is reported as restricted when there are legal limitations imposed on their use by external restrictions by other governments, creditors, or grantors.

J. Investment in the State Treasurer General Fund Investment Pool

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

K. Estimates

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

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

2. CASH ACCOUNTS AND INVESTMENT POLICY

The following is a summary of the cash balances of the District Attorney with the New Mexico State Treasurer:

	<u>Agency</u>	<u>Fund</u>	<u>Amount</u>
General Fund	26300	167	\$ 749.993
Special Revenue Fund (Non-major):			
Victims of Crime	26300	944	-
Drug Control Program	26300	945	<u>18,035</u>
			<u>\$ 768,028</u>

Any collateralization required to secure the accounts held by the State Treasurer is the responsibility of the State Treasurer's office.

The District Attorney deposits its funds from the worthless check fees and pre-prosecution diversion fees in a local bank in accordance with state statute which require that a financial institution pledge collateral of Federal or State securities whose collateral value is equal to at least fifty (50) percent of the deposits in excess of FDIC insurance coverage on deposits made with that financial institution.

Securities which are obligations of the State of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions are accepted as security at par value; all other securities at market value. No security is required for the deposit of public money that is fully insured by the Federal Deposit Insurance Corporation.

The District's bank balances were fully insured as of June 30, 2009.

The following is a listing of the District Attorney's deposits of public monies and collateral pledged grouped by depository financial institution as of June 30, 2009.

First Community Bank	\$ 10,046
Less: FDIC Insurance	<u>10,046</u>
Uninsured public funds	<u>\$ -</u>

The following schedule is presented to comply with the requirements of New Mexico State Statute 12-6-5, NMSA, 1978, as interpreted by the New Mexico State Auditor's Rule 2 NMAC 2.2.

	<u>State Treasurer's Accounts</u>		<u>1st Comm Bank</u>
Account Number	263-1670	263-9450	3-059863
Type of Account	State Warrant	State Warrant	Checking
Balance per State Treasurer/ Financial Institution	\$ 749,993	\$ 18,035	\$ 10,046
Outstanding Warrants/Checks	<u>-</u>	<u>-</u>	<u>-</u>
Book Balance	<u>\$ 749,993</u>	<u>\$ 18,035</u>	<u>\$ 10,046</u>

The District Attorney did not purchase, hold or sell investments during the fiscal year ended June 30, 2009.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

2. CASH ACCOUNTS AND INVESTMENT POLICY - Continued

The credit risk for the balances above for the New Mexico State Treasurer's Investment Pool cannot be determined. The risk would be determined at the State Treasurer's Investment Pool level. The accounts of the State Treasurer's Investment Pool are monitored by the State Treasurers Office and the State Treasurer issues separate financial statements which disclose the collateral pledged to secure these deposits.

Amounts invested in the New Mexico Treasurer's Investment Pool do not require separate collateralization by the District Attorney. The State Treasurer invests the pooled funds and collateralizes the investments in accordance with New Mexico State Statutes 6-10-10.1 and 6-10-15 through 6-10-17, NMSA, 1978 compilation. The State Treasurer Local Government investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States or are backed by the full faith and credit of the United States Government. The local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

Management feels that the receivables are fully collectible.

3. CAPITAL ASSETS

The following schedule shows the changes in capital assets during the year ended June 30, 2009:

	Balance at 6/30/2008	Addition	Deletion	Restatement	Balance at 6/30/2009
Furniture, Fixtures & Equipment	\$ 23,024	\$ -	\$ -	\$ -	\$ 23,024
Data processing	146,771	-	(10,244)	-	136,527
Office equipment	77,169	-	-	-	77,169
Vehicles	260,158	42,855	(31,349)	-	271,664
Total capital assets	<u>507,122</u>	<u>42,855</u>	<u>(41,593)</u>	<u>-</u>	<u>508,384</u>
Less: Accumulated depreciation for:					
Furniture, Fixtures & Equipment	(23,024)	-	-	-	(23,024)
Data Processing	(141,393)	(5,378)	10,244	-	(136,527)
Office equipment	(75,854)	(1,209)	-	-	(77,063)
Vehicles	(204,924)	(19,626)	31,349	-	(193,201)
Total accumulated depreciation	<u>(445,195)</u>	<u>(26,213)</u>	<u>41,593</u>	<u>-</u>	<u>(429,815)</u>
Total net capital assets	<u>\$ 61,927</u>	<u>\$ 16,642</u>	<u>\$-</u>	<u>\$ -</u>	<u>\$ 78,569</u>

The costs of maintaining and repairing property are charged to operations.

Depreciation expense of \$26,213 is an expense of the function of public safety.

There is no debt relating to capital assets.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

4. PERA PENSION PLAN

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

Covered employees of the District Attorney are eligible for receiving benefits when the age and service requirements have been met, as follows:

1. Age sixty-five or older and five or more years of credited service,
2. Age sixty-four years and eight or more years of credited service,
3. Age sixty-three years and eleven or more years of credited service,
4. Age sixty-two years and fourteen or more years of credited service,
5. Age sixty-one years and seventeen or more years of credited service,
6. Age sixty years and twenty or more years of credited service,
7. Any age and twenty-five or more years of credited service.

Disability benefits are provided to members who are qualified for such coverage as determined by the disability review committee, pursuant to Chapter 10, Article 11-10.0 NMSA 1978.

Plan members are required to contribute 7.42% of their gross covered salary. The District Attorney is required to contribute 16.59% of covered salary. The contribution requirements of plan members and the District Attorney are established under Chapter 10, Article 11 NMSA 1978. The requirement may be amended by acts of the legislature. The District Attorney's contributions to PERA for the years ending June 30, 2009, 2008, and 2007 were \$552,601, \$487,670 and \$427,516, respectively, equal to the amount of the required contributions for each year.

The District Attorney's employees are covered under the State general member plan 3 as follows:

Employee Group:	
Plan Name:	
State general member coverage	Plan 3
Employee contribution rate on covered wages:	7.42%
Employer contribution rate on covered wages:	16.59%
Authorizing legislation	
Chapter 10 Article 11-:	26.1-26.7
Retirement benefit as a percent of final average salary multiplied by credited years of service:	3.0%
Covered wages during fiscal year ended June 30, 2009	\$3,275,390

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

5. POST-EMPLOYMENT BENEFITS

The District Attorney 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 and dependents. The RHCA Board was established the Retire 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 Retiree Health Care Act 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) and former legislators who served at least two years.

The RHCA issues a publicly stand-alone financial report that includes financial statements for the postemployment healthcare plan. The report can be obtained by writing to the Retire Health Care Authority at 4308 Carlisle NE, Suite 104 Albuquerque, New Mexico 87107.

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. The monthly premium rate schedule can be obtained from the RHCA.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary and each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of the 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 contribution can be changed by the New Mexico State Legislature.

The District Attorney contributions to the RHCA for the years ended June 30, 2007, 2008 and 2009 were \$29,218, \$33,892 and 36,965, respectively, which equal the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

6. DEFERRED COMPENSATION PLAN

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

There are employees that are making contributions to the Deferred Compensation Plan. Neither the District Attorney nor the State of New Mexico make any contributions to the deferred compensation plan. All contributions withheld from participants by the District Attorney have been paid to the New Mexico Public Employees' Retirement Association, which administers the plan.

7. DEFERRED REVENUE

Deferred revenue represents funds received from Cities and Tribal governments and federal contracts for services to be provided in the future.

8. CHANGE IN LONG-TERM DEBT

Long-term debt consists only of compensated absences payable, paid by general funds.

Balance at June 30, 2008	\$ 148,206
Leave accrued	163,939
Leave used	<u>(173,022)</u>
Balance at June 30, 2009	139,123
Less current portion	<u>139,123</u>
Long-term debt	<u><u>\$ -</u></u>

9. RENT COMMITMENT

The District Attorney rents its office space on a month to month basis for \$3,689 a month.

10. RISK MANAGEMENT

The District Attorney is exposed to various risks of loss relating to torts, thefts of, damage to, and destruction of property, errors and omissions and natural disasters. The District Attorney participates with other New Mexico State agencies in the Coverage obtained through the State of New Mexico Risk Management Division of the General Services Department.

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2009

10. RISK MANAGEMENT - Continued

The General Services Department, Risk Management Division, is responsible for the acquisition and administration of all insurance purchased by the State. Various statutes have been passed which allow the Risk Management Division to insure, self-insure or use a combination of both in all areas of insurance.

The insurance programs apply to all State Agencies as defined by the Tort Claims Act. Risk Management Division provides coverage in the following three major areas:

- 1) Liability and Civil Rights protection for claims made by others against the State.
- 2) Coverage to protect the State property and assets.
- 3) Fringe benefits coverage to the State employees.

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

General Fund – Balance Sheet
As of June 30, 2009

	<u>General Fund</u>
ASSETS	
Cash on deposit with State Treasurer	\$ 749,993
Due from other state agencies	<u>31,564</u>
 Total assets	 <u><u>781,557</u></u>
 LIABILITIES	
Accounts payable	24,352
Payroll benefits payable	61,776
Payroll taxes payable	35,358
Accrued payroll	99,638
Due general fund	3,155
Deferred revenue	<u>557,278</u>
Total liabilities	<u><u>781,557</u></u>
 FUND BALANCE/NET ASSETS	
Fund Balance:	
Unrestricted	<u>-</u>
Total fund balance	<u><u>-</u></u>
 Total liabilities and fund balance	 <u><u>\$ 781,557</u></u>

See Independent Auditor's Report.

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

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Statement of Revenues, Expenditures, and Changes in Fund Balances – General Fund
For the Year Ended June 30, 2009

Revenues:	
Intergovernmental revenues	\$ 288,467
Total revenues	<u>288,467</u>
Expenditures	
Current:	
Personal services	4,450,845
Contractual services	126,834
Other costs	590,833
Capital Outlay	<u>-</u>
Total expenditures	<u>5,168,512</u>
Excess (deficiency) of revenues over expenditures before other financing sources	<u>(4,880,045)</u>
Other financing sources	
State general fund appropriations	4,738,700
Other state funds	144,500
Reversions to state general fund	<u>(3,155)</u>
	<u>4,880,045</u>
Net change in fund balances	-
Fund balance:	
Beginning of year	<u>-</u>
	<u>-</u>
End of year	<u>\$ -</u>

See Independent Auditor's Report.

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

NON-MAJOR FUND

VICTIM OF CRIME FUND – To account for shared funds received from the State Crime Reparation Commission. The program provided training and personnel salaries in dealing with crime victims.

DRUG CONTROL GRANT FUND - To account for shared funds from the State through the Drug Control and Systems Improvement Grant Program, through the Second Judicial District Attorney.

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Non-Major Funds
Combining Balance Sheet
As of June 30, 2009

	<u>Victims of Crime Fund</u>	<u>Drug Control Grant</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash	\$ -	\$ 18,035	\$ 18,035
Total assets	<u>-</u>	<u>18,035</u>	<u>18,035</u>
LIABILITIES AND FUND BALANCE			
Current Liabilities:			
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities			
Fund Balance			
Unreserved, un-designated	<u>-</u>	<u>18,035</u>	<u>18,035</u>
Total fund balance	<u>-</u>	<u>18,035</u>	<u>18,035</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 18,035</u>	<u>\$ 18,035</u>

See Independent Auditor's Report.

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

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Non-Major Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	<u>Victims of Crime Fund</u>	<u>Drug Control Grant</u>	<u>Total</u>
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Personnel services	-	-	-
Employee benefits	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, at beginning of year	-	18,035	18,035
Restatement	-	-	-
Restated beginning fund balance	<u>-</u>	<u>18,035</u>	<u>18,035</u>
Fund balance, at end of year	<u>\$ -</u>	<u>\$ 18,035</u>	<u>\$ 18,035</u>

See Independent Auditor's Report.

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

FIDUCIARY FUNDS

WORTHLESS CHECK FUND - Fees charged upon the collection of worthless checks. Fees are paid by persons who write the useless check. Fees are remitted to the State Treasurer for the account of the Administration Office of the District Attorneys.

PRE-PROSECUTION DIVERSION PROGRAM - Fees charged to individuals in the pre-prosecution diversion program, in accordance with agreements between the program participant and the district attorney. Fees are remitted to the State Treasurer for the account of the Administration Office of the District Attorneys.

STATE OF NEW MEXICO
Thirteenth Judicial District Attorney

Fiduciary Funds
Schedule of Changes in Assets and Liabilities – Agency Funds
For the Year Ended June 30, 2009

	<u>Balance at June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2009</u>
Worthless Check Charges:				
ASSETS				
Cash in bank	<u>\$ 110</u>	<u>\$ 5,140</u>	<u>\$ 3,640</u>	<u>\$ 1,610</u>
LIABILITIES				
Deposits held	<u>110</u>	<u>5,140</u>	<u>3,640</u>	<u>1,610</u>
Pre-prosecution Diversion Fees:				
ASSETS				
Cash in bank	<u>2,825</u>	<u>25,356</u>	<u>19,745</u>	<u>8,436</u>
LIABILITIES				
Deposits held	<u>2,825</u>	<u>25,356</u>	<u>19,745</u>	<u>8,436</u>
Totals:				
ASSETS				
Cash in bank	<u>2,935</u>	<u>30,496</u>	<u>23,385</u>	<u>10,046</u>
LIABILITIES				
Deposits held	<u>\$ 2,935</u>	<u>\$ 30,496</u>	<u>\$ 23,385</u>	<u>\$ 10,046</u>

See Independent Auditor's Report.

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

Mr. Hector H. Balderas
New Mexico State Auditor
and
Mr. Lemuel Martinez
Thirteenth Judicial District Attorney
Rio Rancho, New Mexico

**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**

We have audited the financial statements of the governmental activities, each major fund, the general fund budgetary comparison, the aggregate remaining fund, and the combining and individual funds presented as supplemental information of Thirteenth Judicial District Attorney, State of New Mexico as of and for the year ended June 30, 2009 and have issued our report thereon dated November 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District Attorney'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 District Attorney's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District Attorney's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the District Attorney's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District Attorney's financial statements that is more than inconsequential will not be prevented or detected by the District Attorney's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District Attorney's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Thirteenth Judicial District Attorney's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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, the New Mexico State Legislature, New Mexico Department of Finance and the New Mexico Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Robert S. Marquez, CPA
November 24, 2009

**STATE OF NEW MEXICO
THIRTEENTH JUDICIAL DISTRICT ATTORNEY**

**Schedule of Findings and Recommendations
June 30, 2009**

There were no prior year findings.

**STATE OF NEW MEXICO
THIRTEENTH JUDICIAL DISTRICT ATTORNEY**

**EXIT CONFERENCE
For the Year Ended June 30, 2009**

An exit conference was held on November 24, 2009 at the District Attorney's office. In attendance were:

For the Thirteenth Judicial District Attorney:

Lemuel Martinez

District Attorney

Brenda Rael

Chief Financial Officer

For Robert S. Marquez, CPA:

Robert S. Marquez

FINANCIAL STATEMENTS

The financial statements of the District Attorney as of June 30, 2009, were substantially prepared by the auditors, however, the financial statements are the responsibility of management.