

STATE OF NEW MEXICO
VALENCIA COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009

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INTRODUCTORY SECTION

STATE OF NEW MEXICO

Valencia County
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STATE OF NEW MEXICO

Valencia County

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STATE OF NEW MEXICO

Valencia County

Official Roster

June 30, 2009

<u>Name</u>	<u>Board of County Commissioners</u>	<u>Title</u>
Pedro G. Rael		Chairman
Donald Holliday		Vice- Chairman
David R. Medina		Member
Ron Gentry		Member
Georgia Otero-Kirkham		Member
<u>Elected Officials</u>		
Sally Perea		County Clerk
Dorothy L. Lovato		County Treasurer
Viola S. Garcia- Vallejos		County Assessor
Rene S. Rivera		County Sheriff
Reyna Aragon Carrejo		County Probate Judge
<u>Administrative Officials</u>		
Eric Zamora		County Manager
Wilma Abril		Finance Director

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FINANCIAL SECTION



Accounting & Consulting Group, LLP
INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Valencia County Commissioners
Valencia County
Los Lunas, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the General Fund and major special revenue funds, and the aggregate remaining fund information of Valencia County, New Mexico (the County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the Legislative Appropriation FY 06/07 Capital Projects Fund, and for the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009 as listed in the table of contents. These financial statements are the responsibility of the County'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 County'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 the 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.

We were not able to verify capital assets and the related accumulated depreciation at June 30, 2009 and the depreciation expense for the year then ended. We were unable to determine these amounts through the use of alternative procedures. The effect on assets, net assets, and expenses of the governmental activities is not readily determinable.

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to determine the amount of capital assets, related accumulated depreciation, and current depreciation expense, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the County, as of June 30, 2009 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Certified Public Accountants

2700 San Pedro Northeast [87110-333] – P.O. Box 3130, Albuquerque, New Mexico 87190-3130
866.307.2727 – 505.883.2727 – Fax 505.884.6719 – albuquerque.office@acgnm.com – www.acgnm.com

Alamogordo – Albuquerque – Carlsbad – Clovis – Hobbs – Lubbock

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and the aggregate remaining fund information of the County, as of June 30, 2009, and the respective changes in financial position and the budgetary comparisons for the General Fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County, as of June 30, 2009, and the respective changes in financial position thereof, and the budgetary comparisons for the Legislative Appropriation FY 06/07 capital projects fund, and the remaining nonmajor governmental funds 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 16, 2009 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The County has not presented the Management's Discussion and Analysis that the Government Accounting Standards Board (GASB) has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements, the combining and individual fund financial statements and the budgetary comparisons. The accompanying information on Schedules I through V is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and each of the County's nonmajor governmental fund financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements and each of nonmajor governmental fund financial statements taken as a whole. 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 it.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 16, 2009

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO

Valencia County
Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 9,101,824
Investments	2,135,815
Receivables:	
Property taxes receivable, net	2,004,799
Due from other governments	2,464,993
Other receivables	22,784
Prepaid expenses	<u>667,443</u>
Total current assets	<u>16,397,658</u>
Noncurrent assets	
Restricted cash and cash equivalents	97,587
Capital assets	69,810,911
Less: accumulated depreciation	<u>(25,893,263)</u>
Total noncurrent assets	<u>44,015,235</u>
Total assets	<u><u>\$ 60,412,893</u></u>

The accompanying notes are an integral part of these financial statements

	Governmental Activities
Liabilities	
Current Liabilities	
Accounts payable	\$ 583,129
Accrued payroll expenses	480,707
Due to State of New Mexico	19,829
Due to PERA	377,040
Landfill closure fine	900,000
Accrued interest	123,162
Current portion of accrued compensated absences	284,433
Current portion of capital leases payable	256,940
Current portion bonds and notes payable	673,990
	<hr/>
Total current liabilities	3,699,230
	<hr/>
Noncurrent liabilities	
Noncurrent portion of accrued compensated absences	185,606
Landfill liability	1,166,044
Capital leases payable	456,435
Bonds and notes payable	8,160,602
	<hr/>
Total noncurrent liabilities	9,968,687
	<hr/>
Total liabilities	13,667,917
	<hr/>
Net Assets	
Invested in capital assets, net of related debt	34,369,681
Restricted for	
Debt service	1,799,338
Capital projects	3,953,101
Other purposes-special revenue	2,376,735
Unrestricted	4,246,121
	<hr/>
Total net assets	46,744,976
	<hr/>
Total liabilities and net assets	\$ 60,412,893
	<hr/> <hr/>

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STATE OF NEW MEXICO
Valencia County
Statement of Activities
For the Year Ended June 30, 2009

Exhibit A-2

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Primary Government					
General government	\$ 8,500,328	\$ 1,305,486	\$ 2,128,241	\$ 2,377,198	\$ (2,689,403)
Public safety	9,962,438	-	649,586	-	(9,312,852)
Public works	2,633,580	30,532	640,118	-	(1,962,930)
Culture and recreation	898,371	100	518,822	-	(379,449)
Health and welfare	1,666,816	-	304,397	-	(1,362,419)
Interest on long-term debt	64,941	-	-	-	(64,941)
<i>Total governmental activities</i>	<u>\$ 23,726,474</u>	<u>\$ 1,336,118</u>	<u>\$ 4,241,164</u>	<u>\$ 2,377,198</u>	(15,771,994)
General Revenues:					
Taxes					
Property taxes, levied for general purposes					8,094,568
Property taxes, levied for debt service					963,963
Gross receipts taxes					6,169,740
Gasoline, motor vehicle and cigarette taxes					764,314
Investment income					146,187
Miscellaneous income					6,472
Special item- debt relief					428,936
Total general revenues and special items					16,574,180
Change in net assets					802,186
Net assets, beginning					45,716,750
Net assets, restatement (note 20)					226,040
Net assets, restated					45,942,790
Net assets, ending					\$ 46,744,976

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Valencia County
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Road	Adult Detention Center
Assets			
Cash and cash equivalents	\$ 1,695,420	\$ 541,775	\$ 608
Investments	2,135,815	-	-
Property taxes receivable, net	1,800,829	-	-
Due from other governments	279,382	35,693	32,435
Other receivables	16,274	-	-
Prepaid expenses	481,262	21,659	108,958
Due from other funds	1,180,869	-	-
	<hr/>	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 7,589,851</u>	<u>\$ 599,127</u>	<u>\$ 142,001</u>
Liabilities and fund balances			
<i>Liabilities</i>			
Accounts payable	\$ 120,559	\$ 10,532	\$ 32,980
Accrued payroll expenses	311,122	41,546	15,569
Due to State of New Mexico	-	-	-
Due to PERA	377,040	-	-
Deferred revenue	1,560,090	-	-
Due to other funds	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total liabilities</i>	<u>2,368,811</u>	<u>52,078</u>	<u>48,549</u>
<i>Fund balances</i>			
Reserved for:			
Debt service, repair and replacement	-	-	-
Prepaid expenses	481,262	21,659	108,958
Unreserved	4,739,778	-	-
Unreserved, reported in:			
Special revenue funds	-	525,390	(15,506)
Capital projects funds	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total fund balances</i>	<u>5,221,040</u>	<u>547,049</u>	<u>93,452</u>
	<hr/>	<hr/>	<hr/>
<i>Total liabilities and fund balances</i>	<u>\$ 7,589,851</u>	<u>\$ 599,127</u>	<u>\$ 142,001</u>

The accompanying notes are an integral part of these financial statements

Legislative Appropriation FY 06/07	Nonmajor Governmental Funds	Total
\$ -	\$ 6,961,607	\$ 9,199,410
-	-	2,135,815
-	203,970	2,004,799
567,776	1,549,707	2,464,993
-	6,510	22,784
-	55,564	667,443
-	-	1,180,869
<u>\$ 567,776</u>	<u>\$ 8,777,358</u>	<u>\$ 17,676,113</u>
\$ 157,148	\$ 261,910	\$ 583,129
-	112,470	480,707
-	19,829	19,829
-	-	377,040
-	175,739	1,735,829
410,628	770,241	1,180,869
<u>567,776</u>	<u>1,340,189</u>	<u>4,377,403</u>
-	1,984,115	1,984,115
-	55,564	667,443
-	-	4,739,778
-	3,878,792	4,388,676
-	1,518,698	1,518,698
<u>-</u>	<u>7,437,169</u>	<u>13,298,710</u>
<u>\$ 567,776</u>	<u>\$ 8,777,358</u>	<u>\$ 17,676,113</u>

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STATE OF NEW MEXICO

Valencia County

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Assets

June 30, 2009

Exhibit B-1

Page 2 of 2

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

Fund balances - total governmental funds	\$ 13,298,710
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	43,917,648
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	1,735,830
Accrued interest is not due and payable with current financial resources therefore are not reported in the funds	(123,162)
Certain liabilities, including bonds payable and current and long-term portions of accrued compensated absences, are not due and payable in the current period and therefore are not reported in the funds:	
General obligation bonds and notes payable	(8,834,592)
Capital leases	(713,375)
Landfill liability	(1,166,044)
Landfill closure fine	(900,000)
Compensated absences	<u>(470,039)</u>
Net assets - governmental activities	<u><u>\$ 46,744,976</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Valencia County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	<u>General Fund</u>	<u>Road</u>	<u>Adult Detention Center</u>
<i>Revenues</i>			
Taxes:			
Property	\$ 8,968,107	\$ -	\$ -
Gross receipts	987,556	-	-
Gasoline, motor vehicle and cigarette taxes	318,450	445,225	-
Intergovernmental:			
Federal operating grants	-	57,446	12,662
State operating grants	1,896,675	607,999	611,949
State capital grants	-	-	-
Charges for services	236,475	2,700	-
Licenses and fees	823,648	27,832	-
Investment income	121,048	5,115	-
Miscellaneous	104	5,102	1,266
<i>Total revenues</i>	<u>13,352,063</u>	<u>1,151,419</u>	<u>625,877</u>
<i>Expenditures</i>			
Current			
General government	4,481,729	-	-
Public safety	3,761,530	-	2,853,237
Public works	-	2,357,954	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	7,091	1,277,162	-
Debt service:			
Principal	235,000	-	-
Interest	10,601	-	-
<i>Total Expenditures</i>	<u>8,495,951</u>	<u>3,635,116</u>	<u>2,853,237</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,856,112</u>	<u>(2,483,697)</u>	<u>(2,227,360)</u>
<i>Other financing sources (uses)</i>			
Transfers in	1,924,544	2,096,557	2,275,084
Transfers out	(7,539,946)	-	-
Loan proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>(5,615,402)</u>	<u>2,096,557</u>	<u>2,275,084</u>
<i>Special item</i>			
Debt relief	-	-	-
<i>Net change in fund balances</i>	(759,290)	(387,140)	47,724
<i>Fund balance - beginning of year</i>	<u>5,980,330</u>	<u>934,189</u>	<u>45,728</u>
<i>Fund balance - end of year</i>	<u>\$ 5,221,040</u>	<u>\$ 547,049</u>	<u>\$ 93,452</u>

The accompanying notes are an integral part of these financial statements

Legislative Appropriation FY 06/07	Other Governmental Funds	Total
\$ -	\$ 1,347,136	\$ 10,315,243
-	5,182,184	6,169,740
-	639	764,314
-	441,561	511,669
-	609,746	3,726,369
1,426,650	3,173,100	4,599,750
-	100	239,275
-	245,363	1,096,843
-	20,024	146,187
-	-	6,472
<u>1,426,650</u>	<u>11,019,853</u>	<u>27,575,862</u>
484,277	1,900,786	6,866,792
-	2,122,871	8,737,638
-	43,760	2,401,714
-	783,781	783,781
-	1,666,706	1,666,706
308,771	2,002,875	3,595,899
-	1,485,942	1,720,942
-	351,437	362,038
<u>793,048</u>	<u>10,358,158</u>	<u>26,135,510</u>
<u>633,602</u>	<u>661,695</u>	<u>1,440,352</u>
-	3,252,558	9,548,743
-	(2,008,797)	(9,548,743)
-	137,025	137,025
-	1,380,786	137,025
-	428,936	428,936
633,602	2,471,417	2,006,313
<u>(633,602)</u>	<u>4,965,752</u>	<u>11,292,397</u>
<u>\$ -</u>	<u>\$ 7,437,169</u>	<u>\$ 13,298,710</u>

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STATE OF NEW MEXICO

Valencia County

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
June 30, 2009

Exhibit B-2

Page 2 of 2

Amounts reported for governmental activities in the Statement of Activities
are different because:

Net change in fund balances - total governmental funds	\$	2,006,313
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Governmental funds report capital outlays as expenditures. However, in
the Statement of Activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense:

Capital assets reported as capital outlay expenditures		3,595,899
Depreciation expense		(2,269,376)

Revenues in the Statement of Activities that do not provide current financial
resources are not reported as revenue in the funds:

Change in deferred revenue related to property taxes receivable		(1,256,712)
Change in deferred revenue related to capital outlay not considered available		(2,219,426)

Expenses in the Statement of Activities that do not require current financial
resources are not reported as expenditures in the funds:

Increase in accrued compensated absences		(57,692)
Decrease in accrued interest		297,097
Decrease in landfill liability		46,426
Increase in landfill closure fine		(900,000)

The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial
resources to governmental funds, while the repayment of the principal of long-term
debt consumes the current financial resources of governmental funds. Neither
transaction, however, has any effect on net assets. Also, governmental funds
report the effect of issuance costs, premiums, discounts, and similar items when
debt is first issued, whereas these amounts are deferred and amortized in the
Statement of Activities:

Amortization of bond issuance costs and bond premiums		(24,260)
Loan Proceeds		(137,025)
Principal payments on long-term debt		1,292,006
Debt relief		428,936

Change in net assets of governmental activities	\$	<u>802,186</u>
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The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO

Exhibit C-1

Valencia County

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ 7,605,498	\$ 7,605,498	\$ 8,941,769	\$ 1,336,271
Gross receipts	1,200,000	1,934,620	819,653	(1,114,967)
Gasoline and motor vehicle	-	-	319,097	319,097
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	2,058,840	2,058,840	1,896,675	(162,165)
State capital grants	-	-	-	-
Charges for services	1,271,100	1,271,100	848,564	(422,536)
Licenses and fees	167,400	167,400	173,606	6,206
Investment income	-	-	132,306	132,306
Miscellaneous	-	-	104	104
<i>Total revenues</i>	<u>12,302,838</u>	<u>13,037,458</u>	<u>13,131,774</u>	<u>94,316</u>
<i>Expenditures:</i>				
Current:				
General government	4,936,198	4,948,326	4,208,723	739,603
Public safety	4,569,771	4,572,971	4,069,741	503,230
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	6,500	7,600	1,719	5,881
Debt service:				
Principal	122,902	245,602	235,000	10,602
Interest	-	-	10,601	(10,601)
<i>Total expenditures</i>	<u>9,635,371</u>	<u>9,774,499</u>	<u>8,525,784</u>	<u>1,248,715</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,667,467</u>	<u>3,262,959</u>	<u>4,605,990</u>	<u>1,343,031</u>
<i>Other financing sources (uses)</i>				
Designated cash	2,802,783	(3,262,959)	-	3,262,959
Transfers in	-	-	1,924,544	1,924,544
Transfers out	(5,470,250)	-	(7,539,946)	(7,539,946)
<i>Total other financing sources (uses)</i>	<u>(2,667,467)</u>	<u>(3,262,959)</u>	<u>(5,615,402)</u>	<u>(2,352,443)</u>
<i>Net change in fund balance</i>	-	-	(1,009,412)	(1,009,412)
<i>Fund balance - beginning of year</i>	-	-	6,021,516	6,021,516
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,012,104</u>	<u>\$ 5,012,104</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,009,412)
Adjustments for state grant and miscellaneous receivable accrual				220,289
Adjustments to expenditures for general government function accruals				29,833
Net change in fund balance (GAAP)				<u>\$ (759,290)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Valencia County
Road Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

Exhibit C-2

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	627,000	627,000	468,463	(158,537)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	86,548	86,548	57,446	(29,102)
State operating grants	-	-	607,999	607,999
State capital grants	-	-	-	-
Charges for services	-	500,000	27,832	(472,168)
Licenses and fees	-	-	2,700	2,700
Investment income	15,000	15,000	25,492	10,492
Miscellaneous	-	-	5,102	5,102
<i>Total revenues</i>	<u>728,548</u>	<u>1,228,548</u>	<u>1,195,034</u>	<u>(33,514)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,988,723	2,988,723	2,135,655	853,068
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,441,114	1,441,114	1,486,700	(45,586)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,429,837</u>	<u>4,429,837</u>	<u>3,622,355</u>	<u>807,482</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,701,289)</u>	<u>(3,201,289)</u>	<u>(2,427,321)</u>	<u>773,968</u>
<i>Other financing sources (uses)</i>				
Designated cash	2,336,986	1,836,986	-	(1,836,986)
Transfers in	1,364,303	1,364,303	2,096,557	732,254
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,701,289</u>	<u>3,201,289</u>	<u>2,096,557</u>	<u>(1,104,732)</u>
<i>Net change in fund balance</i>	-	-	(330,764)	(330,764)
<i>Fund balance - beginning of year</i>	-	-	872,539	872,539
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 541,775</u>	<u>\$ 541,775</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (330,764)
Adjustments made for revenue accruals				(43,615)
Adjustments to expenditures for public works function accruals				(12,761)
Net change in fund balance (GAAP)				<u>\$ (387,140)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-3

Valencia County

Adult Detention Center Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	12,662	12,662
State operating grants	497,000	497,000	638,274	141,274
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	96,000	96,000	1,266	(94,734)
<i>Total revenues</i>	<u>593,000</u>	<u>593,000</u>	<u>652,202</u>	<u>59,202</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	3,026,906	3,026,906	2,926,678	100,228
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,700	1,700	-	1,700
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,028,606</u>	<u>3,028,606</u>	<u>2,926,678</u>	<u>101,928</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,435,606)</u>	<u>(2,435,606)</u>	<u>(2,274,476)</u>	<u>161,130</u>
<i>Other financing sources (uses)</i>				
Designated cash	(1)	(1)	-	1
Transfers in	2,435,607	2,435,607	2,275,084	(160,523)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,435,606</u>	<u>2,435,606</u>	<u>2,275,084</u>	<u>(160,522)</u>
<i>Net change in fund balance</i>	-	-	608	608
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 608</u>	<u>\$ 608</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 608
Adjustments made for revenue accruals				(26,325)
Adjustments to expenditures for public safety function accruals				73,441
Net change in fund balance (GAAP)				<u>\$ 47,724</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
Valencia County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

Exhibit D-1

Assets

Cash	\$ 6,543,375
Property taxes receivable	<u>4,319,523</u>
<i>Total assets</i>	<u><u>\$ 10,862,898</u></u>

Liabilities

Deposits held in trust for inmates	\$ 397,767
Deposits held in trust for hospital levy	5,209,834
Deposits held in trust for other taxing entities	935,774
Due to other taxing entities	<u>4,319,523</u>
<i>Total liabilities</i>	<u><u>\$ 10,862,898</u></u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies

Valencia County (County) is a political sub-division of the State of New Mexico established in 1876 under the provisions of Section 4-5-1 of NMSA, 1978 compilation and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissioners-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, planning and zoning, property assessment, tax collection and general administrative services.

The County is a body politic and corporate under the name and form of government selected by its qualified electors. The County may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico.
6. Protect generally the property of its county and its inhabitants;
7. Preserve peace and order within the county; and
8. Establish rates for services provided by the County utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of the County is presented to assist in the understanding of the County's financial statements. The financial statements and notes are the representation of the County's management that is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private sector guidance for their government-wide financial statements subject to the same limitation. The County has elected not to follow the subsequent private sector guidance. The more significant of the County's accounting policies are described below.

A. Financial Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

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. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the County does not have any component units required to be reported under GASB Statements No. 14 and No. 39, and is not a component unit of another governmental agency.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The County does not have any business-type activities.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place, regardless of the timing of the related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Neither fiduciary funds nor component units that are fiduciary in nature are included in the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement and contingencies imposed by the provider are met.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

C. *Measurement focus, basis of accounting, and financial statement presentation (continued)*

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operations fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Road Special Revenue Fund* was created to account for funds used to maintain roads for which the County has responsibility. Financing sources include motor vehicle registration fees and New Mexico State Highway Department Cooperative Agreement. Expenditures are restricted for the construction and maintenance of county roads. The fund was created by authority of State Statute Section 67-41-1, NMSA, 1978 Compilation.

The *Adult Detention Center Special Revenue Fund* is used to account for the operation of the County's Adult Detention Center. This fund was created by resolution No. 2005-66.

The *Legislative Appropriation FY 06/07 Capital Projects Fund* was created under authority of the county commission to account for appropriations to Valencia County for year 2006/2007 to plan, design, and construct community centers, infrastructure, and fire departments for several communities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the County's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the County's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of County facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as small cities assistance to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

The County reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The County does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed

D. Assets, Liabilities and Net Assets or Fund Equity

Deposits and Investments: The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the County are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables: Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Property tax receivables are recognized when levied net of estimated refunds and uncollectible amounts.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th are considered delinquent and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

Prepaid Items: Prepaid expenses include insurance and contract payments to vendors and reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Fund Equity (continued)

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Valencia County was a Phase I government for purposes of implementing GASB 34. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1980) are included as part of the governmental capital assets reported in the government wide statements. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40-50
Equipment	5-20
Infrastructure	30-40

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2009, along with applicable PERA and Retiree Health Care. In addition the amount “Due to PERA” represents the remaining exposure the County is liable in regards to the PERA dispute. This is discussed in more detail in Note 17.

Deferred Revenues: There are two types of deferred revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (commonly referred to as unearned revenue). The other type of deferred revenue is “unavailable revenue.” Under the modified accrual basis of accounting, it is enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be off-set by a corresponding liability for deferred revenue.

Compensated Absences: Qualified employees are entitled to accumulate annual leave according to a graduated annual leave schedule. Depending on the length of service, employees may accrue 10 to 20 days per year. Annual leave may be accumulated from year to year up to a maximum of 30 days. Annual leave balances in excess of 30 days as of December 31 of any calendar year will be lost. The employee or the employee’s estate will be paid for each day of the unused annual leave at the time of the employee’s voluntary or involuntary termination, retirement, death, or total disability up to a maximum of 30 days plus the number of days accrued and unused during the current calendar year.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Fund Equity (continued)

Qualified employees are entitled to accumulate sick leave at a rate of 12 days per year. There is no accrual limitation and upon separation or retirement of an employee who has served five or more years, the County shall pay the employee a sum equal to 25% of the value of the accumulated and unused sick leave, based on his/her average rate of pay for the preceding 12 months. Part-time employees accrue sick leave on a pro-rata basis. Casual and temporary employees do not accrue sick leave.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. For bonds that were issued after GASB 34 was implemented by the County bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount, however there were no bond premiums or discounts at June 30, 2009. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriations or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Equity Classifications

Government-wide Statements

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

- a. Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets:
Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net assets:
All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Fund Equity (continued)

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for Valencia County include management's estimate of the allowance for uncollectible accounts for property taxes, depreciation on assets over their estimated useful lives and accrued compensated absences.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the Board of County Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget at the fund level.

These budgets are prepared on the Non-GAAP cash budgetary basis. Budgetary expenditures exclude encumbrances. The budget secures appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures. These amendments resulted in the following changes:

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General Fund	\$ 2,667,467	\$ 3,262,959
Road	\$ (3,701,289)	\$ (3,201,289)
Adult Detention	\$ (2,435,606)	\$ (2,435,606)
Legislative Appropriations FY 06/07	\$ -	\$ -
Nonmajor Funds	\$ (1,235,420)	\$ (3,123,012)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual revenues, expenditures and other financing sources and uses on a budgetary basis.

Since accounting principles applied for purposes of developing revenues and expenditures on the budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the net change in fund balances is presented for the year ended June 30, 2009. Reconciliations between the Non-GAAP budgetary basis amounts and the financials statements on the GAAP basis by fund can be found on the individual budgetary comparison statements.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 3. Deposits and Investments

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. The County is not aware of any invested funds that did not meet the State investment requirements as of June 30, 2009.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. The FDIC board approved the Temporary Liquidity Guarantee Program (TLGP) on October 13, 2008. This program provides a full guarantee on non-interest-bearing transaction deposits accounts above \$250,000, regardless of dollar amount. The guarantee is effective until December 31, 2009. As of June 30, 2009, the District did not have any deposits that met the criteria of the TLGP.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County does not have a policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978). New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least one half of the amount on deposit with the institution. At June 30, 2009, \$17,112,223 of the County's deposits of \$18,612,223 were exposed to custodial credit risk, \$10,815,188 was uninsured and collateralized by collateral held by the pledging bank's department or agent, not in the County's name, and \$6,297,035 was uninsured and uncollateralized.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 3. Deposits and Investments (continued)

	<u>Bank of the West</u>	<u>Wells Fargo</u>	<u>First Community Bank</u>
Amount of deposits	\$ 11,172,623	\$ 388,793	\$ 2,472,310
FDIC Coverage	(250,000)	(250,000)	(250,000)
Total uninsured public funds	<u>10,922,623</u>	<u>138,793</u>	<u>2,222,310</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>5,568,756</u>	<u>95,435</u>	<u>2,007,913</u>
Uninsured and uncollateralized	<u>\$ 5,353,867</u>	<u>\$ 43,358</u>	<u>\$ 214,397</u>
Collateral requirement (50% of uninsured funds)	\$ 5,461,312	\$ 69,397	\$ 1,111,155
Pledged Collateral	5,568,756	95,435	2,007,913
Over (Under) collateralized	<u>\$ 107,444</u>	<u>\$ 26,038</u>	<u>\$ 896,758</u>
	<u>NM Bank & Trust</u>	<u>My Bank</u>	<u>Total</u>
Amount of deposits	\$ 2,468,084	\$ 2,110,413	\$ 18,612,223
FDIC Coverage	(250,000)	(500,000)	(1,500,000)
Total uninsured public funds	<u>2,218,084</u>	<u>1,610,413</u>	<u>17,112,223</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>2,218,084</u>	<u>925,000</u>	<u>10,815,188</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ 685,413</u>	<u>\$ 6,297,035</u>
Collateral requirement (50% of uninsured funds)	\$ 1,109,042	\$ 805,207	\$ 8,556,112
Pledged Collateral	2,903,724	925,000	11,500,828
Over (Under) collateralized	<u>\$ 1,794,682</u>	<u>\$ 119,793</u>	<u>\$ 2,944,716</u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 3. Deposits and Investments (continued)

The County's investments at June 30, 2009 included the following:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>WAM</u>
New MexiGROW LGIP	AAAm rating	\$ 35,815	< 43 days
U.S. Treasury Money Market Mutual Fund	N/C	\$ 97,587	< 1 year

The New MexiGROW Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Section 6-10-10 I through 6-10-10 P and Sections 6-10-1.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1 F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary. See **NOTE 19** for additional information regarding the County's investment in the Local Government Investment Pool.

Interest Rate Risk – Investments. The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The County follows state law with investment activities.

Reconciliation to the Statement of Net Assets:

Cash and cash equivalents per Exhibit A-1	\$ 9,101,824
Investments per Exhibit A-1	2,135,815
Restricted cash and cash equivalents per Exhibit A-1	97,587
Agency funds cash per Exhibit D-1	<u>6,543,375</u>
Total	<u>17,878,601</u>
Add: outstanding checks	868,498
Less: deposits in transit	1,474
Less: LGIP Investments held with the State of New Mexico	35,815
U.S. Treasury Money Market Mutual Funds	<u>97,587</u>
Bank balance of deposits	<u><u>\$ 18,612,223</u></u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 4. Receivables

Receivables as of June 30, 2009, are as follows:

	General	Road Fund	Adult Detention	Legislative Appropriation FY 06/07	Total Nonmajor Funds	Total
Property taxes	\$ 2,529,544	\$ -	\$ -	\$ -	\$ 286,508	\$ 2,816,052
Other receivables:						
Intergovernmental:						
State	279,382	35,693	32,435	567,776	1,549,707	2,464,993
Interest	16,274	-	-	-	6,510	22,784
Allowance for doubtful accounts	(728,715)				(82,538)	(811,253)
Totals	<u>\$ 2,096,485</u>	<u>\$ 35,693</u>	<u>\$ 32,435</u>	<u>\$ 567,776</u>	<u>\$ 1,760,187</u>	<u>\$ 4,492,576</u>

The County has estimated approximately 29% or \$811,253 of property taxes will not be collected. Other than this, all receivable are deemed to be 100% collectible.

In accordance with GASB Statement No. 33, revenues in the amount of \$1,735,830 that were not received during the period of availability have been presented as deferred revenue in the fund financial statements.

NOTE 5. Interfund Receivables, Payables, and Transfers

Net operating transfers, made to close out funds and to supplement other funding sources in the normal course of operations, were as follows:

<u>Governmental Funds:</u>	<u>Transfer In</u>	<u>Transfer Out</u>
From General Fund to:	\$ 1,136,111	\$ 7,539,946
Road	2,096,557	-
Juvenile Detention	276,253	-
Adult Detention	2,275,084	-
Solid Waste GRT	310,564	-
Title C-1	59,908	-
Title C-2	182,029	-
Road GRT	500,000	-
Title IIIB	34,563	-
Debt Service	668,877	-
From Adult Detention Debt Service:	-	1,217,055
General	788,433	-
Corrections GRT	428,622	-
From Sheriff's GRT to:	-	757
LLEBG	757	-
From County Debt Service to:	-	790,985
Bond/Judicial Renovation	790,985	-
	<u>\$ 9,548,743</u>	<u>\$ 9,548,743</u>

The County has interfund loans for the purpose of providing cash to grant funds that must expend funds in order to get reimbursements.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 5. Interfund Receivables, Payables, and Transfers (continued)

The composition of interfund balances as of June 30, 2009 is as follows:

	Due From Other Funds	Due to Other Funds
Governmental Funds		
General Fund	\$ 1,180,869	\$ -
CDBG Fund	-	26,697
Solid Waste GRT	-	650
Title C-1	-	17,429
Cash in Lieu	-	4,699
Tomo Adelino	-	145,405
Legislative Appropriation 03/04	-	103,771
Legislative Appropriation 04/05	-	170,792
Legislative Appropriation 06/07	-	410,628
Legislative Appropriation 07/08	-	128,553
Legislative Appropriation 08/09	-	172,245
	\$ 1,180,869	\$ 1,180,869
Total Governmental Funds		

All interfund receivables are to be repaid within one year

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2009 follows. Land and construction in progress are not subject to depreciation.

Government Activities:	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Capital assets not being depreciated:				
Land	\$ 3,679,297	\$ -	\$ -	\$ 3,679,297
Construction in progress	10,767,320	435,954	-	11,203,274
Total capital assets not being depreciated	14,446,617	435,954	-	14,882,571
Capital assets being depreciated:				
Buildings and improvements	20,257,963	21,505	-	20,279,468
Equipment	18,274,539	1,337,672	-	19,612,211
Infrastructure	13,235,893	1,800,768	-	15,036,661
Total capital assets being depreciated	51,768,395	3,159,945	-	54,928,340
Less accumulated depreciation:				
Buildings and improvements	8,392,139	1,156,346	-	9,548,485
Equipment	8,555,705	936,138	-	9,491,843
Infrastructure	6,676,043	176,892	-	6,852,935
Total accumulated depreciation	23,623,887	2,269,376	-	25,893,263
Total capital assets, net of depreciation	\$ 42,591,125	\$ 1,326,523	\$ -	\$ 43,917,648

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 6. Capital Assets (continued)

Depreciation expense for the year ended June 30, 2009 was charged to the following functions:

General Government	\$ 748,894
Public Safety	1,180,076
Public Works	226,938
Culture and Recreation	<u>113,468</u>
Total depreciation expense	<u>\$ 2,269,376</u>

NOTE 7. Long-term Debt

During the year ended June 30, 2009, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Restatement</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities						
Bonds:						
GRT Revenue Bonds Series 2001	\$ 235,000	\$ -	\$ -	\$ 235,000	\$ -	\$ -
GO Bonds - Series 2004 - Judicial Complex	<u>8,760,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>8,260,000</u>	<u>575,000</u>
Subtotal bonds	<u>8,995,000</u>	<u>-</u>	<u>-</u>	<u>735,000</u>	<u>8,260,000</u>	<u>575,000</u>
NMFA loans:						
Series 2000A - Jail Facility	200,000	-	-	200,000	-	-
Tome Adelino Fire Department	96,795	-	-	12,599	84,196	12,967
El Cerro Volunteer Fire Department	144,840	-	-	18,832	126,008	19,372
Los Chavez Fire Department	226,040	226,040	-	-	-	-
Los Chavez Fire Department	95,805	-	-	24,722	71,083	25,588
Meadow Lake Fire Department	333,334	-	-	177,054	156,280	31,735
Highland Meadow Pumper	-	-	137,025	-	137,025	9,328
Subtotal NMFA loans	<u>1,096,814</u>	<u>226,040</u>	<u>137,025</u>	<u>433,207</u>	<u>574,592</u>	<u>98,990</u>
Capital leases:						
Kansas State Bank - 3 Dump Trucks	56,287	-	-	56,287	-	-
John Deere Credit - 2 Graders	312,914	-	-	19,150	293,764	20,080
State Board of Finance	14,000	-	-	14,000	-	-
State Board of Finance	414,936	-	-	414,936	-	-
John Deere Credit - 2 Graders	235,388	-	-	24,061	211,327	211,327
Key Government Finance Inc.	60,179	-	-	12,061	48,118	12,634
John Deere Motor Grader	172,406	-	-	12,240	160,166	12,899
Subtotal Capital leases	<u>1,266,110</u>	<u>-</u>	<u>-</u>	<u>552,735</u>	<u>713,375</u>	<u>256,940</u>
Accrued compensated absences	<u>412,347</u>	<u>342,125</u>	<u>342,125</u>	<u>284,433</u>	<u>470,039</u>	<u>284,433</u>
Total	<u>\$11,770,271</u>	<u>\$ 568,165</u>	<u>\$ 479,150</u>	<u>\$ 2,005,375</u>	<u>\$10,018,006</u>	<u>\$ 1,215,363</u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 7. Long-term Debt (continued)

Bonds Payable

Voters of the County authorized a Series 2001 Gross Receipts Tax revenue Bond. The bond was issued in the amount of \$865,000 with an interest rate of 3.0% to 4.5%. Payments are due semi-annually on February 1 and August 1. The bond repayment ended in 2009.

On September 23, 2003, voters of the County authorized the issuance of \$9,870,000 General Obligation Judicial Complex Bonds at a special election held within the County. The bonds were issued in the amount of \$9,870,000 and sold to the New Mexico Finance Authority for 100% of the principal with an interest rate of 1.15% to 4.01%. Payments are due semi-annually on February 1 and August 1. The bond repayment ends in 2019.

The annual requirements to amortize the General Obligation Judicial Complex Bond as of June 30, 2009, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2010	\$ 575,000	\$ 278,512	\$ 853,512
2011	600,000	263,280	863,280
2012	685,000	244,947	929,947
2013	725,000	234,775	959,775
2014	800,000	211,648	1,011,648
2015-2019	4,875,000	581,300	5,456,300
	<u>\$ 8,260,000</u>	<u>\$ 1,814,462</u>	<u>\$ 10,074,462</u>

NMFA Revenue Notes

The County entered into several loan agreements with the New Mexico Finance Authority, wherein the County pledged revenue derived from New Mexico Fire Protection Allotments to cover debt service. This revenue is subject to intercept agreements. The various NMFA Revenue Notes are as follows:

Description	Date of Issue	Term	Interest Rate	Original amount of issue	Balance June 30, 2009
Series 2000A- Jail facility	June 30, 2000	June 30, 2009	4.1% - 5.3%	\$4,715,000	\$ -
Tome Adelino Fire Department El Cerro Volunteer Fire Department	September 30, 2004	September 30, 2015	1.26% - 3.67%	194,445	84,196
Los Chavez Fire Department Metal Building & Class "A" Fire Pumper LCFD	September 30, 2004	September 30, 2015	1.26% - 3.67%	130,000	126,008
	March 10, 2006	March 10, 2016	4.1% - 5.3%	270,000	-
Construction Phase II Addition MLFD	November 1, 2007	November 1, 2012	3.87%	119,700	71,083
	August 27, 2007	August 27, 2018	1.52%	333,334	156,280
Highland Meadows Pumper	September 17, 2008	September 17, 2019	3.47%	137,025	137,025
Total of NMFA loans					<u>\$ 574,592</u>

The annual requirements to amortize the NMFA Revenue Notes as of June 30, 2009, including interest payments are as follows:

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 7. Long-term Debt (continued)

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2010	\$ 98,990	\$ 19,139	\$ 118,129
2011	104,493	13,726	118,219
2012	98,938	10,935	109,873
2013	81,998	8,260	90,258
2014	76,591	5,964	82,555
2015-2019	<u>113,582</u>	<u>9,643</u>	<u>123,225</u>
	<u>\$ 574,592</u>	<u>\$ 67,667</u>	<u>\$ 642,259</u>

Capital Leases

The County leases vehicles and other equipment under various capital leases. The economic substance of the leases is that the County is financing the acquisition of the assets through the leases and, accordingly, they are recorded as County assets and liabilities. The obligations under capital leases have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at interest rates as stated in the individual contracts. The capital leases are as follows:

Description	Date of Issue	Term	Interest Rate	Original amount of issue	Balance June 30, 2009
Kansas State Bank- 3 Dump Trucks	August 7, 2003	August 15, 2008	4.28%	\$ 259,017	\$ -
John Deere Credit-2 Graders	November 1, 2005	December 1, 2010	4.75%	353,380	293,764
State Board of Finance	April 21, 2000	December 31, 2009	no interest	35,000	-
State Board of Finance	February 4, 2004	December 31, 2013	no interest	518,668	-
John Deere Credit-2 Graders	December 1, 2004	December 1, 2009	4.25%	312,000	211,327
Key Government Finance, Inc.	January 17, 2008	January 17, 2013	4.83%	66,848	48,118
John Deere Credit-Motor Grader	December 4, 2007	January 1, 2013	5.25%	178,290	160,166
Total capital leases					<u>\$ 713,375</u>

During the year ended June 30, 2009, House Bill 387, enacted in 2009, authorized the State Board of Finance (the "Board") to renegotiate the terms of current outstanding lease-purchase agreements between the Board and counties so that the Board can forgive debt owed by counties on those machines and the Board can dispose of the machines. The County had an amount of \$428,936 subject to the debt forgiveness enacted as of June 30, 2009.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2010	\$ 256,940	\$ 27,972	\$ 284,912
2011	300,510	15,176	315,686
2012	28,185	7,419	35,604
2013	<u>127,740</u>	<u>3,673</u>	<u>131,413</u>
	<u>\$ 713,375</u>	<u>\$ 54,240</u>	<u>\$ 767,615</u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 7. Long-term Debt (continued)

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2009, compensated absences increased \$57,692 over the prior year accrual.

In prior years, the General Fund was typically used to liquidate long-term liabilities other than capital leases and NMFA notes which were liquidated by the Road Fund and the Fire District special revenue funds.

NOTE 8. Landfill Closure and Postclosure Care

State law, federal law and various regulations require that Valencia County place a final cover on its landfill when it is closed, and perform certain maintenance and monitoring functions at the landfill for 30 years after the closure. Therefore, the County has recognized in its financial statements both operating expenses for current year landfill activities, and an expense provision and related liability for the future closure and postclosure care costs that will be incurred near or after the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on management's estimates of the landfill capacity used to date. In the fiscal year ended June 30, 2009, the landfill reached 100% of its capacity and it is expected to be closed during the next fiscal year. The estimated liability for the County's landfill closure and postclosure care was \$1,166,044 as of June 30, 2009, which was a decrease of \$46,426 from the prior year's estimate. These estimates change due to inflation or deflation, changes in technology, applicable laws or regulations.

The County has approved \$500,000 in its operating budget for the upcoming fiscal year ending June 30, 2010, for these estimated closure and postclosure care costs. The County is actively seeking additional available funds to finance the necessary improvements. The County has contracted with specialists in the area of landfill closures to ensure the closure is done properly and meets all applicable codes and regulations of the State of New Mexico.

NOTE 9. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters.

Valencia County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The County is not liable for more than the premiums paid.

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Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 10. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. The following funds reflected a deficit fund balance as of June 30, 2009:

Juvenile Detention (Fund 408)	\$ (36,738)
CDBG Special Revenue Fund (Fund 433)	(26,697)
Solid Waste GRT Special Revenue Fund (Fund 446)	(24,812)
Title C-1 Special Revenue Fund (Fund 495)	<u>(11,494)</u>
 Total	 <u><u>\$ (99,741)</u></u>

The County plans to collect grant revenues and reduce or eliminate these negative fund balances.

The County incurred more expenditures than revenue received in these funds in the current year. The County anticipates these fund balances will not be in the deficit state in subsequent years.

- B. There were no funds that maintained expenditures in excess of budgeted authority for the year end June 30, 2009.
- C. Designated cash appropriations exceeded prior year available balances. The following funds exceeded designated cash appropriations in excess of available balances for the year ended June 30, 2009:

	Designated Cash	Beginning Year Cash & AR Available	Cash Appropriation in excess of available
Road Special Revenue Fund	\$ 2,336,986	\$ 951,847	\$ 1,385,139
Solid Waste GRT Special Revenue Fund (Fund 446)	131,000	38,016	92,984
Traffic Safety Special Revenue Fund (Fund 465)	36,691	(5,079)	41,770
Title III-B Special Revenue Fund (Fund 493)	16,641	11,597	5,044
Title C-1 Special Revenue Fund (Fund 495)	4,819	(1,694)	6,513
Title C-2 Special Revenue Fund (Fund 496)	84,068	(2,526)	86,594
Cash in Lieu Special Revenue Fund (Fund 497)	6,393	(4,716)	11,109
Legislative Appropriation FY 08/09 Capital Projects Fund (Fund 431)	109,980	-	109,980
Corrections GRT Capital Projects Fund (Fund 458)	485,337	205,126	280,211

The reason for these deficits is inadequate monitoring of cash available to be rebudgeted. To correct this, the County plans to implement a process to consider a reasonable estimate of designated cash when budgets are established.

NOTE 11. PERA Pension Plan

Plan Description: Substantially all of Valencia County'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 Employee Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

STATE OF NEW MEXICO
Valencia County
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NOTE 11. PERA Pension Plan (continued)

Funding Policy: Plan members are required to contribute 6.15% for municipal employees and 7.00% of gross salaries for law enforcement employees. The County is required to contribute 12.15% for all other plan members and 27.80% for law enforcement plan members. The contribution requirements of plan members and Valencia County are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the years ended June 30, 2009, 2008 and 2007 were \$988,517, \$925,813, and \$754,316 respectively, which equal the amount of the required contribution for each fiscal year.

NOTE 12. Retiree Health Care Act Contributions

Plan Description. Valencia County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

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

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

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

The County's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$83,883, \$79,833 and \$66,726, respectively which equaled the required contributions each year.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 13. Joint Powers Agreement

The County's Detention Center is a participant in a joint powers agreement with the Central New Mexico Correction Facility where both parties agree to maintain personnel and equipment for the preservation of peace within its own jurisdiction, and enforce security and control in and to their various establishments, districts, agencies, and municipalities. Both of the parties to the agreement are responsible. The agreement was entered into on June 8, 2009 and will remain in full force until by mutual agreement of the parties or by written notice by one party to the other giving 30 day notice of said cancellation. The amount of the project and the County contributions are not readily determinable. Each party is responsible for the audit of its own related expenditures.

The County is a participant in a joint powers agreement with the Humane Society of the United States to observe and evaluate the operating procedures of animal care and control agencies and, where necessary, recommend changes to such procedures to enable the shelter to operate in a safer, more cost-effective, and more humane manner. Both of the parties are responsible. The agreement was entered into on January 1, 2009 and will commence on the 31st day following the delivery of the report from the Humane Society of the United States. The County agrees to pay a fee of \$7,600. The term of the agreement is no more than thirty-one days following the Humane Society of the United States' receipt of the fee mentioned above. Audit responsibility is with the Humane Society of the United States.

The County is a participant in separate joint powers agreements with the Village of Bosque Farms, Village of Los Lunas, City of Belen, and Pueblo of Isleta to provide for the holding of impounded animals at the Valencia County Animal Control Center. Valencia County agrees to report revenues while the other participants agree to report expenditures. All parties are responsible to perform their share of the agreement. The agreement was entered into on July 1, 2002 and will remain in full force until by mutual agreement of the parties or by written notice by one party to the other giving 30 day notice of said cancellation. The term of the agreement is indefinite. The amount of the project and County contributions are not readily determinable. The participants are responsible for the audit of their own related expenditures.

The County is a participant in separate joint powers agreements with the Socorro County, Village of Los Lunas, Pueblo of Isleta, Village of Bosque Farms, City of Belen, Otero County, Town of Peralta, and Santo Domingo Pueblo to provide for the housing and care of adult prisoners arrested by the above jurisdictions. Valencia County agrees to report revenues while the other participants agree to report expenditures. All parties are responsible for their share of the agreement. The agreements were entered into on December 2005 and are effective until December 2010. The amount of the project and the County contributions are not readily determinable. The participants are responsible for the audit of their own related expenditures.

NOTE 14. Commitments

The County's commitments on construction projects at June 30, 2009 are as follows:

<u>Description</u>	<u>Amount</u>
Conejo Transfer Station Public Works	\$ 17,200
El Cerro Loop Traffic Lights	57,345
Jarales Community Center/Sherriff Sub Station	<u>166,161</u>
 Total	 <u>\$ 240,706</u>

NOTE 15. Pollution Remediation Obligation

In September of 2001, the New Mexico Environment Department (the Department) assessed a landfill closure related fine of \$900,000 against the County. The County has been negotiating with the Department to obtain credit toward payment of the fine, for expenditures the County has already made on related landfill clean-up. The County is pursuing all allowable avenues to reduce the fine. Management believes the resulting fine may be as low as \$350,000.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 16. Federal and State Grants

In the normal course of operations, the County receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. The County expects any liability for reimbursement which may arise as a result of these audits is to be immaterial.

NOTE 17. Claims and Judgments Liability

The County is proceeding with a class action law suit to resolve all claims with employees regarding problems in past contributions to employees' PERA retirement accounts. There is not a dispute regarding the time period the county owes PERA benefits for seven employees. There are seventeen employees the County owes PERA benefits to but there are disputes with those employees regarding issues related to their specific eligibility like: dates worked; contributions made to PERA; and employee eligibility for benefits throughout employment. The County is in the process of negotiating these claims with the employees' attorney. In addition, the County is in the process of reviewing the files of ten employees who have also made claims. The County calculated its present exposure to be \$393,155 (\$37,967 employer contributions plus \$37,258 employee contributions, and \$317,930 for accrued interest) for employees currently identified, and its probable exposure to be \$100,000 for attorney fees for the class attorneys. During the year ended June 30, 2009 the County has paid \$116,115 of the liability, therefore the County has recorded the total liability of \$377,040 in its financial statements as required by GASB 10 ¶ 53 at June 30, 2009.

NOTE 18. Net Assets

In the Statement of Net Assets \$8,129,174 of net assets is reported as restricted, of which \$6,329,836 is restricted by enabling legislation.

NOTE 19. Subsequent Events

The County is a defendant in a lawsuit in which the plaintiff's complaint purports that the County failed to grant the plaintiff's company a hauler's permit and failed to renew his contract. The County has responded that the denial was due to the plaintiff's refusal to pay the related franchise fees. The County and plaintiff settled this lawsuit on July 9, 2009, and \$60,000 was awarded to the plaintiff.

The New Mexico State Treasurer's Office invested a portion of the LGIP in The Reserve Primary Fund ("the Fund"), a money market fund, in fiscal years 2006, 2007, 2008 and 2009. On September 15, 2008, the balance of the LGIP's investment in the Fund was \$381.7 million. On September 16, 2008, The Reserve Primary Fund's net asset value fell below \$1.00 and holdings in the Fund were frozen. Since September 2008, The Reserve Primary Fund has returned approximately \$0.90 per share to shareholders. On February 26, 2009, The Reserve Primary Fund announced that it was withholding \$3.5 billion of the Fund's assets for anticipated and pending litigation against it, which amount could increase or decrease as the Fund evaluates information related to such litigation. As a result, the State Treasurer's Office cannot anticipate what the actual loss to the LGIP from The Reserve Primary Fund may be or when the actual loss may be realized. No actual loss has been realized to date. The total remaining Reserve Primary Fund position as of June 30, 2009, is \$39.5 million. The LGIP's remaining position in The Reserve Primary Fund is a non-performing asset.

On May 5, 2009, the U.S. Securities and Exchange Commission ("SEC") filed a civil lawsuit in federal court against the operators of The Reserve Primary Fund, alleging fraud; seeking the pro rata distribution of the remaining the Fund's assets; and seeking the release of the \$3.5 billion currently being withheld from investors pending the outcome of the lawsuits against The Reserve Primary Fund. The court is scheduled to hold a hearing on the SEC's proposed plan of distribution.

On May 20, 2009, the New Mexico Attorney General filed a civil complaint and injunction petition in state district court against The Reserve Primary Fund. The Attorney General's complaint alleges that the Fund setting aside \$3.5 billion to pay legal fees and expenses is a willful and intentional conversion of the investors' assets and a breach of contract. The complaint further alleges that the Fund's failure to honor redemption requests on September 16, 2008,

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2009

NOTE 19. Subsequent Events (continued)

is a breach of contract. Additionally, the Attorney General's injunction petition seeks the release of the investors' pro rata share of the \$3.5 billion The Reserve Primary Fund set aside for its anticipated and pending legal costs.

The New Mexico State Treasurer's Office believes that The Reserve Primary Fund will ultimately end up distributing between 98.38% and 98.77% of the balance that the LGIP had in The Reserve Primary Fund as of September 15, 2008. This means that of the remaining undistributed balance as of June 30, 2009, it is expected the LGIP is to recover between 83.84% and 87.78%. Uncertainty remains, however, as to the timing of these distributions.

NOTE 20. Net Assets Restatement

In the prior year, debt was overstated by \$226,040, due to a prepayment of a NMFA loan being included as a new debt issuance for year ended June 30, 2008.

NOTE 21. Subsequent Pronouncements

In July 2007, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, which is effective for periods beginning after June 15, 2009. For governments that were classified as phase 1 or phase 2 governments, retroactive reporting is required for intangible assets acquired in fiscal years ending after June 30, 1980, except for those considered to have indefinite useful lives as of the effective date of this Statement and those that would be considered internally generated. Retroactive reporting of these intangible assets by phase 3 governments is encouraged but not required. Retroactive reporting is not required but is permitted for intangible assets considered to have indefinite useful lives as of the effective date of this Statement and those considered to be internally generated. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The County is analyzing the effect that this standard will have on the financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In March 2009, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which is effective for financial statements for periods beginning after June 15, 2010 with earlier implementation encouraged. GASB Statement No. 54 distinguishes fund balance between amounts that are considered nonspendable, such as fund balance associated with inventories, and other amounts that are classified based on the relative strength of the constraints that control the purpose for which specific amounts can be spent. This statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. The County is analyzing the effect that this standard will have on the financial statements.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
June 30, 2009

SPECIAL REVENUE FUNDS

403 – Farm and Range – To account for soil conservation and predator control activities within the County. Funding is provided by the Taylor Grazing Act. Expenditures may be made only for the purposes specified in the grant. Funding authorized by Section 6-11-6, NMSA 1978 Compilation.

404 – Recreation – To account for recreational funds. Financing is provided by cigarette taxes and special Federal Grants used in park development. The fund was created by authority of State Statute Section 7-12-15, NMSA 1978 Compilation.

408 – Juvenile Detention – This fund was created by Resolution No. 2002-37 to account for the operation of the County’s Juvenile Detention Center.

415 – Older American – To account for operation of the County’s Older American Program. Funding is provided through the Department of Health and Human Services. The Fund was created by authority of the Older Americans Act of 1965, Title III, Parts A and F, Public Law 89-73, as amended; Public Law 90-42, 81 Stat. 106; Public Law 91-69, 83 Stat. 108; Public Law 93-29, 87 Stat. 30; Public Law 93-351, 88 Stat. 357; Public Law 94-135, 89 Stat. 713; Public Law 95-65, 91 Stat. 269; Public Law 95-478, 92 Stat. 1513; Public Law 97-115, 95 Stat. 1595; Public Law 98-459, 98 Stat. 1767; Public Law 100-175, 101 Stat. 926; Section 705, Public Law 100-628; 42 U.S.C 3022-3030(m); Public Law 102-375.

416 – Fire Protection – To account for the operation and maintenance of the County’s several fire protection districts. Funding is provided by an allotment from the State Fire Marshall’s Office. The Fund was created by authority of State Statute Section 59A-53-1, NMSA 1978 Compilation.

417 – EMS – To account for grants from the State of New Mexico Health Department to be utilized for emergency services provided within the County. Funding is authorized by Section 24-10A-6, NMSA, 1978 Compilation.

418 – Wildlife Fire Reimbursement – The fund is for forestry reimbursements to volunteer fire fighters for “brush fires” in specified dollar amounts per hour and per county equipment usage.

419 – Neighborhood Watch – This fund was created by Resolution No. 2003-65 to account for the operation of the fund from Wal-Mart.

420 – Valuation Maintenance – To account for the County’s property reappraisal program pursuant to Section 7-38-38.1, NMSA Compilation. Expenditures from the County property valuation fund may be made pursuant to a property valuation program presented by the county assessor and approved by the majority of the county commissioners.

423 – Fire Excise Tax – To account for funds received from a dedicated gross receipts tax used to supplement the County’s fire districts. The Fund was created by authority of State Statute Section 7-20E-15, NMSA 1978 Compilation.

424 – Law Enforcement – To account for a state grant restricted to equipment purchases for use in law enforcement planning and training. The fund was created under the authority of Section 29-13-4, NMSA, 1978 Compilation.

429 – Tome Adelino Community Center – To account for the tracking of intercept payments for a fire pumper lease. Funding is provided by gross receipts taxes. The authority for creation of this fund is by County Commission resolution.

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
June 30, 2009

SPECIAL REVENUE FUNDS (continued)

433 – CDBG – Community Development Block Grant is a planning grant to develop a comprehensive plan for the community.

434 – Law Enforcement Explorer Program – Created by County Commission resolution.

435 – County Indigent Claims – Created by Section 7-20-3, New Mexico Statutes Annotated, 1978 Compilation to account for funds reserved from a County excise tax equal to one eighth of one percent of the “county gross receipts tax” adopted through County ordinance 86-17. Expenditures are restricted to indigent care.

439 – G.R.E.A.T Grant – This fund is to account for monies received from the Bureau of Justice Assistance which is a component of the Office of Justice Programs (OJP), U.S. Department of Justice. The program focuses on gang resistance education and training. This grant reaches out to elementary and middle school students.

444 – Solid Waste Performance – The fund was created as a contract surety bond for insuring services for the solid waste program.

446 – Solid Waste GRT – This fund was created by Section 7-20E-17, New Mexico Section Annotated, 1978 Compilation to account for operation and maintenance of the Valencia County Sanitary Landfill.

449 – Clerk’s Equipment – To account for funds restricted for the repair and replacement of equipment used in the County Clerk’s office. The fund was created under the authority of Section 14-8-12.2, NMSA, 1978 Compilation.

456 –LLEBG – This fund is used to account for grant monies received for the purpose of law enforcement off-road vehicles and equipment. The fund was created under the authority of the Local Law Enforcement Block Grants Act of 1996, H.R. 728; Omnibus Fiscal Year 1997 Appropriations Act, Public Law 104-208.

459 – Special Revenue Bond – This is a bond fund used to account for grant monies received for the purpose of improving roads and purchasing necessary equipment. The fund was created under the authority of Section 3-31-4, NMSA, 1978 Compilation.

462 – Sheriff’s GRT – This fund is used to account for grant monies used for operating expenses for the Sheriff’s department. The fund was created under the authority of State Statute 07-20E-9 thru 7-20E-11. Part of the County Gross receipts tax by Ordinance 2001-01.

463 – Road GRT – This fund is used to account for grant monies used for capital outlay, leasing, backhoe and grader. The fund was created under the authority of State Statute 07-20E-9 thru 7-20E-11. Part of the County Gross receipts tax by Ordinance 2001-01.

464 – Fire GRT – This fund is used to account for grant monies used for contractual services. The fund was created under the authority of State Statute 07-20E-9 thru 7-20E-11. Part of the County Gross receipts tax by Ordinance 2001-01.

465 – Traffic Safety – This education and enforcement fund was created under Resolution No. 2002-48.

466 – Homeland Security – The fund was created under Resolution No. 2002-52.

493 – Title III-B – This fund is part of the Older American fund #415 for access services (priority services) The Fund was created by authority of the Older Americans Act of 1965, Title III, Parts A and F, Public Law 89-73, as amended; Public Law 90-42, 81 Stat. 106; Public Law 91-69, 83 Stat. 108; Public Law 93-29, 87 Stat. 30; Public Law 93-351, 88 Stat. 357; Public Law 94-135, 89 Stat. 713; Public Law 95-65, 91 Stat. 269; Public Law 95-478, 92 Stat. 1513; Public Law 97-115, 95 Stat. 1595; Public Law 98-459, 98 Stat. 1767; Public Law 100-175, 101 Stat. 926; Section 705, Public Law 100-628; 42 U.S.C 3022-3030(m); Public Law 102-375. Revenue in this fund is from federal, state, and local sources.

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
June 30, 2009

SPECIAL REVENUE FUNDS (continued)

494 – Title III-E – This fund is part of the Older American fund #415 for a caregiver support program. The Fund was created by authority of the Older Americans Act of 1965, Title III, Parts A and F, Public Law 89-73, as amended; Public Law 90-42, 81 Stat. 106; Public Law 91-69, 83 Stat. 108; Public Law 93-29, 87 Stat. 30; Public Law 93-351, 88 Stat. 357; Public Law 94-135, 89 Stat. 713; Public Law 95-65, 91 Stat. 269; Public Law 95-478, 92 Stat. 1513; Public Law 97-115, 95 Stat. 1595; Public Law 98-459, 98 Stat. 1767; Public Law 100-175, 101 Stat. 926; Section 705, Public Law 100-628; 42 U.S.C 3022-3030(m); Public Law 102-375. Revenue in this fund is from federal, state, and local sources.

495 – Title C-1 – This fund is part of the Older American fund #415 for congregate meals. The Fund was created by authority of the Older Americans Act of 1965, Title III, Parts A and F, Public Law 89-73, as amended; Public Law 90-42, 81 Stat. 106; Public Law 91-69, 83 Stat. 108; Public Law 93-29, 87 Stat. 30; Public Law 93-351, 88 Stat. 357; Public Law 94-135, 89 Stat. 713; Public Law 95-65, 91 Stat. 269; Public Law 95-478, 92 Stat. 1513; Public Law 97-115, 95 Stat. 1595; Public Law 98-459, 98 Stat. 1767; Public Law 100-175, 101 Stat. 926; Section 705, Public Law 100-628; 42 U.S.C 3022-3030(m); Public Law 102-375. Revenue in this fund is from federal, state, and local sources.

496 –Title C-2 – This fund is part of the Older American fund #415 for homebound meals. The Fund was created by authority of the Older Americans Act of 1965, Title III, Parts A and F, Public Law 89-73, as amended; Public Law 90-42, 81 Stat. 106; Public Law 91-69, 83 Stat. 108; Public Law 93-29, 87 Stat. 30; Public Law 93-351, 88 Stat. 357; Public Law 94-135, 89 Stat. 713; Public Law 95-65, 91 Stat. 269; Public Law 95-478, 92 Stat. 1513; Public Law 97-115, 95 Stat. 1595; Public Law 98-459, 98 Stat. 1767; Public Law 100-175, 101 Stat. 926; Section 705, Public Law 100-628; 42 U.S.C 3022-3030(m); Public Law 102-375. Revenue in this fund is from federal, state, and local sources.

497 – Cash in Lieu – This fund is part of the Older American fund #415 for commodities. The Fund was created by authority of the Older Americans Act of 1965, Title III, Parts A and F, Public Law 89-73, as amended; Public Law 90-42, 81 Stat. 106; Public Law 91-69, 83 Stat. 108; Public Law 93-29, 87 Stat. 30; Public Law 93-351, 88 Stat. 357; Public Law 94-135, 89 Stat. 713; Public Law 95-65, 91 Stat. 269; Public Law 95-478, 92 Stat. 1513; Public Law 97-115, 95 Stat. 1595; Public Law 98-459, 98 Stat. 1767; Public Law 100-175, 101 Stat. 926; Section 705, Public Law 100-628; 42 U.S.C 3022-3030(m); Public Law 102-375. Revenue in this fund is from federal, state, and local sources.

CAPITAL PROJECTS FUNDS

405 – Bonds/Judicial Renovation – The fund was created by Resolution No. 2004-26 to account for the County’s Judicial Renovations.

406 – Legislative Appropriation FY 02/03 – The fund was created under authority of the county commissioner to account for appropriations to Valencia County for year 2002/2003 to plan, design and construct community centers and fire departments for several communities.

409 – Legislative Appropriation FY 03/04– The fund was created under authority of the county commissioner to account for appropriations by the Legislature in the 1st session of 2003 for the purpose of capital outlay projects that improve several communities’ facilities, and infrastructure.

410 – Legislative Appropriation FY 04/05– The fund was created under authority of the county commission to account for appropriations by the Legislature in the 2nd session of 2004 for the purpose of capital outlay projects that improve several communities’ facilities, and infrastructure.

411 – Tome Adelino– This fund was created by State Statute 59A-53-1, NMSA Compilation to account for the Tome Adelino Senior Community Center Renovations.

412 – Legislative Appropriation 07/08 – This fund was created under authority of the county commission to account for appropriations to Valencia County for year 2007/2009 to plan, design, and construct community centers, infrastructure, and fire departments for several communities.

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
June 30, 2009

CAPITAL PROJECTS FUNDS (continued)

412 – Legislative Appropriation 08/09 – This fund was created under authority of the county commission to account for appropriations to Valencia County for year 2008/2009 to plan, design, and construct community centers, infrastructure, and fire departments for several communities.

458 – Corrections GRT– Created by County Commission resolution to account for gross receipts tax collections. This fund is used to account for gross receipts tax funding of the construction of a new adult detention center. This fund is part of County Gross Receipts Tax Ordinance 2001-01.

DEBT SERVICE FUNDS

427 – El Cerro Pump – The fund is for a PPRF loan from New Mexico Authority for the El Cerro/Valencia fire pumper.

440 –Adult Detention – The fund accounts for resources designated for the retirement of NMFA Notes Payable. This fund also administers the bond reserve fund and the payment of certain obligations for which the notes were issued.

467 –Meadow Lake Fire Department – This fund was created under authority of the county commission to account for the tracking of intercept payments for construction of phase II addition to Meadow Lake Fire Department. Funding is from State capital grants and NMFA notes payable.

468 –Highland Meadow Fire Department – This fund was created under authority of the county commission to account for the tracking of intercept payments for the purchase of a fire truck. Funding is from State capital grants and NMFA notes payable.

561 –County Debt Service – This fund accounts for the resources designated for the retirement of NMFA Notes Payable. This fund also administers the bond reserve fund and the payment of certain obligations for which notes were issued.

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
For the Year Ended June 30, 2009

	Special Revenue		
	Farm and Range	Recreation	Juvenile Detention
Assets			
Cash and cash equivalents	\$ 368	\$ 6,917	\$ -
Property taxes receivable	-	-	-
Due from other governments	-	-	11,825
Other receivables	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ 368	\$ 6,917	\$ 11,825
Liabilities and fund balances			
<i>Liabilities</i>			
Current liabilities			
Accounts payable	\$ -	\$ -	\$ 41,983
Accrued payroll expenses	-	-	6,580
Due to State of New Mexico	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	-
	-	-	-
<i>Total liabilities</i>	-	-	48,563
<i>Fund balances</i>			
Reserved for:			
Debt service, repair and replacement	-	-	-
Prepaid expenses	-	-	-
Unreserved, reported in:			
Special revenue funds	368	6,917	(36,738)
Capital projects funds	-	-	-
	-	-	-
<i>Total fund balances</i>	368	6,917	(36,738)
<i>Total liabilities and fund balances</i>	\$ 368	\$ 6,917	\$ 11,825

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Older American</u>	<u>Fire Protection</u>	<u>EMS</u>	<u>Wildlife Fire Reimbursement</u>	<u>Neighborhood Watch</u>	<u>Valuation Maintenance</u>
\$ 32,123	\$ 381,636	\$ 22,955	\$ 2,915	\$ 1,652	\$ 330,623
-	-	-	-	-	46,713
-	-	-	-	-	-
-	-	-	-	-	-
-	27,388	-	-	-	5,103
-	-	-	-	-	-
<u>\$ 32,123</u>	<u>\$ 409,024</u>	<u>\$ 22,955</u>	<u>\$ 2,915</u>	<u>\$ 1,652</u>	<u>\$ 382,439</u>
\$ 3,232	\$ 41,289	\$ 3,942	\$ -	\$ -	\$ -
9,657	-	-	-	-	11,548
-	-	-	-	-	-
-	-	-	-	-	40,307
-	-	-	-	-	-
<u>12,889</u>	<u>41,289</u>	<u>3,942</u>	<u>-</u>	<u>-</u>	<u>51,855</u>
-	-	-	-	-	-
-	27,388	-	-	-	5,103
19,234	340,347	19,013	2,915	1,652	325,481
-	-	-	-	-	-
<u>19,234</u>	<u>367,735</u>	<u>19,013</u>	<u>2,915</u>	<u>1,652</u>	<u>330,584</u>
<u>\$ 32,123</u>	<u>\$ 409,024</u>	<u>\$ 22,955</u>	<u>\$ 2,915</u>	<u>\$ 1,652</u>	<u>\$ 382,439</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
For the Year Ended June 30, 2009

	Special Revenue		
	Fire Excise Tax	Law Enforcement	Tome Adelino Community Center
Assets			
Cash and cash equivalents	\$ 527,524	\$ 62,497	\$ 51,663
Property taxes receivable	-	-	-
Due from other governments	24,775	51,000	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ 552,299	\$ 113,497	\$ 51,663
Liabilities and fund balances			
<i>Liabilities</i>			
Current liabilities			
Accounts payable	\$ 92	\$ -	\$ -
Accrued payroll expenses	-	-	-
Due to State of New Mexico	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	-
	-	-	-
<i>Total liabilities</i>	92	-	-
<i>Fund balances</i>			
Reserved for:			
Debt service, repair and replacement	-	-	-
Prepaid expenses	-	-	-
Unreserved, reported in:			
Special revenue funds	552,207	113,497	51,663
Capital projects funds	-	-	-
	-	-	-
<i>Total fund balances</i>	552,207	113,497	51,663
<i>Total liabilities and fund balances</i>	\$ 552,299	\$ 113,497	\$ 51,663

The accompanying notes are an integral part of these financial statements

Special Revenue					
CDBG	Law Enforcement Explorer Program	County Indigent Claims	G.R.E.A.T Grant	Solid Waste Performance	Solid Waste GRT
\$ -	\$ 1,030	\$ 1,701,721	\$ 843	\$ 10,000	\$ -
-	-	-	-	-	-
-	-	169,988	-	2,500	45,234
-	-	6,510	-	-	-
-	-	2,723	-	-	10,382
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 1,030</u>	<u>\$ 1,880,942</u>	<u>\$ 843</u>	<u>\$ 12,500</u>	<u>\$ 55,616</u>
\$ -	\$ -	\$ 119,050	\$ -	\$ -	\$ 9,584
-	-	3,383	-	-	70,194
-	-	-	-	-	-
-	-	-	-	-	-
26,697	-	-	-	-	650
<u>26,697</u>	<u>-</u>	<u>122,433</u>	<u>-</u>	<u>-</u>	<u>80,428</u>
-	-	-	-	-	-
-	-	2,723	-	-	10,382
(26,697)	1,030	1,755,786	843	12,500	(35,194)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(26,697)</u>	<u>1,030</u>	<u>1,758,509</u>	<u>843</u>	<u>12,500</u>	<u>(24,812)</u>
<u>\$ -</u>	<u>\$ 1,030</u>	<u>\$ 1,880,942</u>	<u>\$ 843</u>	<u>\$ 12,500</u>	<u>\$ 55,616</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
For the Year Ended June 30, 2009

	Special Revenue		
	Clerk's Equipment	LLEBG	Special Revenue Bond
Assets			
Cash and cash equivalents	\$ 134,347	\$ -	\$ 14,855
Property taxes receivable	-	-	-
Due from other governments	-	-	-
Other receivables	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ 134,347	\$ -	\$ 14,855
Liabilities and fund balances			
<i>Liabilities</i>			
Current liabilities			
Accounts payable	\$ 61	\$ -	\$ -
Accrued payroll expenses	-	-	-
Due to State of New Mexico	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	-	-
	-	-	-
<i>Total liabilities</i>	61	-	-
<i>Fund balances</i>			
Reserved for:			
Debt service, repair and replacement	-	-	-
Prepaid expenses	-	-	-
Unreserved, reported in:			
Special revenue funds	134,286	-	14,855
Capital projects funds	-	-	-
	-	-	-
<i>Total fund balances</i>	134,286	-	14,855
<i>Total liabilities and fund balances</i>	\$ 134,347	\$ -	\$ 14,855

The accompanying notes are an integral part of these financial statements

Special revenue

<u>Sheriff's GRT</u>	<u>Road GRT</u>	<u>Fire GRT</u>	<u>Traffic Safety</u>	<u>Homeland Security</u>	<u>Title III-B</u>
\$ 291,737	98,003	\$ 26,263	\$ 20,359	\$ 3,500	\$ 15,091
-	-	-	-	-	-
124,930	25,498	25,498	1,110	-	3,537
-	-	-	-	-	-
-	-	-	-	-	5,748
-	-	-	-	-	-
<u>\$ 416,667</u>	<u>123,501</u>	<u>\$ 51,761</u>	<u>\$ 21,469</u>	<u>\$ 3,500</u>	<u>\$ 24,376</u>
\$ 474	-	\$ -	\$ -	\$ -	\$ -
9,980	-	-	1,128	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,454</u>	<u>-</u>	<u>-</u>	<u>1,128</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	5,748
406,213	123,501	51,761	20,341	3,500	18,628
-	-	-	-	-	-
<u>406,213</u>	<u>123,501</u>	<u>51,761</u>	<u>20,341</u>	<u>3,500</u>	<u>24,376</u>
<u>\$ 416,667</u>	<u>123,501</u>	<u>\$ 51,761</u>	<u>\$ 21,469</u>	<u>\$ 3,500</u>	<u>\$ 24,376</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
For the Year Ended June 30, 2009

	Special revenue		
	Title III-E	Title C-1	Title C-2
Assets			
Cash and cash equivalents	\$ 25	\$ 4,241	\$ 11,642
Property taxes receivable	-	-	-
Due from other governments	-	-	3,959
Other receivables	-	-	-
Prepaid expenses	-	1,694	2,526
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ 25	\$ 5,935	\$ 18,127
Liabilities and fund balances			
<i>Liabilities</i>			
<i>Current liabilities</i>			
Accounts payable	\$ -	\$ -	\$ 2,048
Accrued payroll expenses	-	-	-
Due to State of New Mexico	-	-	-
Deferred revenue	-	-	-
Due to other funds	-	17,429	-
	-	17,429	-
<i>Total liabilities</i>	-	17,429	2,048
<i>Fund balances</i>			
<i>Reserved for:</i>			
Debt service, repair and replacement	-	-	-
Prepaid expenses	-	1,694	2,526
<i>Unreserved, reported in:</i>			
Special revenue funds	25	(13,188)	13,553
Capital projects funds	-	-	-
	-	-	-
<i>Total fund balances</i>	25	(11,494)	16,079
<i>Total liabilities and fund balances</i>	\$ 25	\$ 5,935	\$ 18,127

The accompanying notes are an integral part of these financial statements

<u>Special Revenue</u>	<u>Capital Projects</u>				
<u>Cash in Lieu</u>	<u>Bonds/Judicial Renovation</u>	<u>Legislative Appropriation FY 02/03</u>	<u>Legislative Appropriation FY 03/04</u>	<u>Legislative Appropriation FY 04/05</u>	<u>Tome Adelino</u>
\$ -	\$ 320,208	\$ 19,829	\$ -	\$ -	\$ -
-	-	-	-	-	-
5,192	-	-	103,771	170,792	145,405
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 5,192</u>	<u>\$ 320,208</u>	<u>\$ 19,829</u>	<u>\$ 103,771</u>	<u>\$ 170,792</u>	<u>\$ 145,405</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	19,829	-	-	-
-	-	-	-	-	-
4,699	-	-	103,771	170,792	145,405
<u>4,699</u>	<u>-</u>	<u>19,829</u>	<u>103,771</u>	<u>170,792</u>	<u>145,405</u>
-	320,208	-	-	-	-
-	-	-	-	-	-
493	-	-	-	-	-
-	-	-	-	-	-
<u>493</u>	<u>320,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 5,192</u>	<u>\$ 320,208</u>	<u>\$ 19,829</u>	<u>\$ 103,771</u>	<u>\$ 170,792</u>	<u>\$ 145,405</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
For the Year Ended June 30, 2009

	Capital Projects		
	Legislative Appropriation FY 07/08	Legislative Appropriation FY 08/09	Corrections GRT
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 1,224,958
Property taxes receivable	-	-	-
Due from other governments	277,334	211,266	146,093
Other receivables	-	-	-
Prepaid expenses	-	-	-
Due from other funds	-	-	-
	-	-	-
<i>Total assets</i>	\$ 277,334	\$ 211,266	\$ 1,371,051
Liabilities and fund balances			
<i>Liabilities</i>			
Current liabilities			
Accounts payable	\$ 1,134	\$ 39,021	\$ -
Accrued payroll expenses	-	-	-
Due to State of New Mexico	-	-	-
Deferred revenue	-	-	-
Due to other funds	128,553	172,245	-
	128,553	172,245	-
<i>Total liabilities</i>	129,687	211,266	-
<i>Fund balances</i>			
Reserved for:			
Debt service, repair and replacement	-	-	-
Prepaid expenses	-	-	-
Unreserved, reported in:			
Special revenue funds	-	-	-
Capital projects funds	147,647	-	1,371,051
	147,647	-	1,371,051
<i>Total fund balances</i>	147,647	-	1,371,051
<i>Total liabilities and fund balances</i>	\$ 277,334	\$ 211,266	\$ 1,371,051

The accompanying notes are an integral part of these financial statements

Debt Service					Total
El Cerro Pump	Adult Detention	Meadow Lake Fire Department	Highland Meadow Fire Department	County Debt Service	Nonmajor Governmental Funds
\$ 97,412	\$ -	\$ 70,947	\$ 4	\$ 1,473,719	\$ 6,961,607
-	-	-	-	157,257	203,970
-	-	-	-	-	1,549,707
-	-	-	-	-	6,510
-	-	-	-	-	55,564
-	-	-	-	-	-
<u>\$ 97,412</u>	<u>\$ -</u>	<u>\$ 70,947</u>	<u>\$ 4</u>	<u>\$ 1,630,976</u>	<u>\$ 8,777,358</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,910
-	-	-	-	-	112,470
-	-	-	-	-	19,829
-	-	-	-	135,432	175,739
-	-	-	-	-	770,241
-	-	-	-	135,432	1,340,189
97,412	-	70,947	4	1,495,544	1,984,115
-	-	-	-	-	55,564
-	-	-	-	-	3,878,792
-	-	-	-	-	1,518,698
<u>97,412</u>	<u>-</u>	<u>70,947</u>	<u>4</u>	<u>1,495,544</u>	<u>7,437,169</u>
<u>\$ 97,412</u>	<u>\$ -</u>	<u>\$ 70,947</u>	<u>\$ 4</u>	<u>\$ 1,630,976</u>	<u>\$ 8,777,358</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	Special Revenue		
	Farm and Range	Recreation	Juvenile Detention
<i>Revenues</i>			
Taxes:			
Property	\$ -	\$ -	\$ -
Gross receipts	-	-	-
Gasoline, motor vehicle and cigarette taxes	-	639	-
Intergovernmental:			
Federal operating grants	3,279	-	-
State operating grants	-	20,772	83,160
State capital grants	-	-	-
Charges for services	-	-	-
Licenses and fees	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>3,279</u>	<u>21,411</u>	<u>83,160</u>
<i>Expenditures:</i>			
General government	4,000	-	396,151
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	22,502	-
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>4,000</u>	<u>22,502</u>	<u>396,151</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(721)</u>	<u>(1,091)</u>	<u>(312,991)</u>
<i>Other financing sources (uses)</i>			
Transfers in	-	-	276,253
Transfers out	-	-	-
Loan proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>276,253</u>
<i>Special item</i>			
Debt relief	-	-	-
<i>Net change in fund balance</i>	(721)	(1,091)	(36,738)
<i>Fund balance - beginning of year</i>	<u>1,089</u>	<u>8,008</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ 368</u>	<u>\$ 6,917</u>	<u>\$ (36,738)</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Older American	Fire Protection	EMS	Wildlife Fire Reimbursement	Neighborhood Watch	Valuation Maintenance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,032
-	773,389	53,999	2,741	-	-
-	-	-	-	-	-
-	-	-	-	-	-
33,912	8,959	834	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>33,912</u>	<u>782,348</u>	<u>54,833</u>	<u>2,741</u>	<u>-</u>	<u>315,032</u>
-	-	-	-	-	209,726
-	644,642	47,111	9,724	-	-
-	-	-	-	-	-
28,353	-	-	-	-	-
-	-	-	-	-	-
-	183,882	13,996	-	-	30,309
-	208,484	-	-	-	-
-	16,733	-	-	-	-
<u>28,353</u>	<u>1,053,741</u>	<u>61,107</u>	<u>9,724</u>	<u>-</u>	<u>240,035</u>
<u>5,559</u>	<u>(271,393)</u>	<u>(6,274)</u>	<u>(6,983)</u>	<u>-</u>	<u>74,997</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	137,025	-	-	-	-
-	137,025	-	-	-	-
-	-	-	-	-	-
5,559	(134,368)	(6,274)	(6,983)	-	74,997
<u>13,675</u>	<u>502,103</u>	<u>25,287</u>	<u>9,898</u>	<u>1,652</u>	<u>255,587</u>
<u>\$ 19,234</u>	<u>\$ 367,735</u>	<u>\$ 19,013</u>	<u>\$ 2,915</u>	<u>\$ 1,652</u>	<u>\$ 330,584</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	Special Revenue		
	Fire Excise Tax	Law Enforcement	Tome Adelino Community Center
<i>Revenues</i>			
Taxes:			
Property	\$ -	\$ -	\$ -
Gross receipts	-	51,000	15,115
Gasoline, motor vehicle and cigarette taxes	-	-	-
Intergovernmental:			
Federal operating grants	14,021	-	-
State operating grants	137	-	-
State capital grants	-	-	-
Charges for services	-	-	-
Licenses and fees	-	-	-
Investment income	604	-	151
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>14,762</u>	<u>51,000</u>	<u>15,266</u>
<i>Expenditures:</i>			
General government	-	-	-
Public safety	144,450	4,437	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	21,090	26,683	-
Debt service:			
Principal	24,723	-	-
Interest	3,402	-	-
<i>Total expenditures</i>	<u>193,665</u>	<u>31,120</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(178,903)</u>	<u>19,880</u>	<u>15,266</u>
<i>Other financing sources (uses)</i>			
Transfers in	-	-	-
Transfers out	-	-	-
Loan proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Special item</i>			
Debt relief	-	-	-
<i>Net change in fund balance</i>	(178,903)	19,880	15,266
<i>Fund balance - beginning of year</i>	<u>731,110</u>	<u>93,617</u>	<u>36,397</u>
<i>Fund balance - end of year</i>	<u>\$ 552,207</u>	<u>\$ 113,497</u>	<u>\$ 51,663</u>

The accompanying notes are an integral part of these financial statements

Special Revenue					
CDBG	Law Enforcement Explorer Program	County Indigent Claims	G.R.E.A.T Grant	Solid Waste Performance	Solid Waste GRT
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,533,547	-	2,500	158,528
-	-	-	-	-	-
89,991	-	-	150,000	-	-
-	-	11,673	-	-	2,530
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	245,363
-	-	10,337	-	-	-
-	-	-	-	-	-
<u>89,991</u>	<u>-</u>	<u>1,555,557</u>	<u>150,000</u>	<u>2,500</u>	<u>406,421</u>
-	-	-	-	-	772,565
-	220	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
50,642	-	1,412,325	145,110	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>50,642</u>	<u>220</u>	<u>1,412,325</u>	<u>145,110</u>	<u>-</u>	<u>772,565</u>
<u>39,349</u>	<u>(220)</u>	<u>143,232</u>	<u>4,890</u>	<u>2,500</u>	<u>(366,144)</u>
-	-	-	-	-	310,564
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	310,564
-	-	-	-	-	-
39,349	(220)	143,232	4,890	2,500	(55,580)
<u>(66,046)</u>	<u>1,250</u>	<u>1,615,277</u>	<u>(4,047)</u>	<u>10,000</u>	<u>30,768</u>
<u>\$ (26,697)</u>	<u>\$ 1,030</u>	<u>\$ 1,758,509</u>	<u>\$ 843</u>	<u>\$ 12,500</u>	<u>\$ (24,812)</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	Special Revenue		
	Clerk's Equipment	LLEBG	Special Revenue Bond
<i>Revenues</i>			
Taxes:			
Property	\$ -	\$ -	\$ -
Gross receipts	63,944	-	-
Gasoline, motor vehicle and cigarette taxes	-	-	-
Intergovernmental:			
Federal operating grants	-	-	-
State operating grants	-	-	-
State capital grants	-	-	-
Charges for services	-	-	-
Licenses and fees	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
	<i>Total revenues</i>	-	-
	63,944	-	-
<i>Expenditures:</i>			
General government	79,317	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	13,964	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
	<i>Total expenditures</i>	-	-
	93,281	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	(29,337)	-	-
<i>Other financing sources (uses)</i>			
Transfers in	-	757	-
Transfers out	-	-	-
Loan proceeds	-	-	-
	<i>Total other financing sources (uses)</i>	757	-
	-	757	-
<i>Special item</i>			
Debt relief	-	-	-
	<i>Net change in fund balance</i>	757	-
	(29,337)	757	-
<i>Fund balance - beginning of year</i>	163,623	(757)	14,855
	163,623	(757)	14,855
<i>Fund balance - end of year</i>	\$ 134,286	\$ -	\$ 14,855

The accompanying notes are an integral part of these financial statements

Special revenue

<u>Sheriff's GRT</u>	<u>Road GRT</u>	<u>Fire GRT</u>	<u>Traffic Safety</u>	<u>Homeland Security</u>	<u>Title III-B</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
752,237	161,194	161,194	-	-	-
-	-	-	-	-	-
-	-	-	-	-	38,693
24,458	-	-	68,138	-	23,278
-	-	-	-	-	-
-	-	-	-	-	100
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>776,695</u>	<u>161,194</u>	<u>161,194</u>	<u>68,138</u>	<u>-</u>	<u>62,071</u>
-	-	-	-	-	-
988,313	-	175,663	38,527	-	-
-	-	-	-	-	-
-	-	-	-	-	89,603
-	-	-	-	-	-
-	579,644	-	-	-	-
-	552,735	-	-	-	-
-	37,739	-	-	-	-
<u>988,313</u>	<u>1,170,118</u>	<u>175,663</u>	<u>38,527</u>	<u>-</u>	<u>89,603</u>
<u>(211,618)</u>	<u>(1,008,924)</u>	<u>(14,469)</u>	<u>29,611</u>	<u>-</u>	<u>(27,532)</u>
-	500,000	-	-	-	34,563
(757)	-	-	-	-	-
-	-	-	-	-	-
<u>(757)</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,563</u>
-	428,936	-	-	-	-
<u>(212,375)</u>	<u>(79,988)</u>	<u>(14,469)</u>	<u>29,611</u>	<u>-</u>	<u>7,031</u>
<u>618,588</u>	<u>203,489</u>	<u>66,230</u>	<u>(9,270)</u>	<u>3,500</u>	<u>17,345</u>
<u>\$ 406,213</u>	<u>\$ 123,501</u>	<u>\$ 51,761</u>	<u>\$ 20,341</u>	<u>\$ 3,500</u>	<u>\$ 24,376</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	Special Revenue		
	Title III-E	Title C-1	Title C-2
<i>Revenues</i>			
Taxes:			
Property	\$ -	\$ -	\$ -
Gross receipts	-	-	-
Gasoline, motor vehicle and cigarette taxes	-	-	-
Intergovernmental:			
Federal operating grants	-	66,410	15,329
State operating grants	-	50,489	281,406
State capital grants	-	-	-
Charges for services	-	-	-
Licenses and fees	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>116,899</u>	<u>296,735</u>
<i>Expenditures:</i>			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	186,407	456,916
Health and welfare	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>186,407</u>	<u>456,916</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(69,508)</u>	<u>(160,181)</u>
<i>Other financing sources (uses)</i>			
Transfers in	-	59,908	182,029
Transfers out	-	-	-
Loan proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>59,908</u>	<u>182,029</u>
<i>Special item</i>			
Debt relief	-	-	-
<i>Net change in fund balance</i>	-	(9,600)	21,848
<i>Fund balance - beginning of year</i>	<u>25</u>	<u>(1,894)</u>	<u>(5,769)</u>
<i>Fund balance - end of year</i>	<u>\$ 25</u>	<u>\$ (11,494)</u>	<u>\$ 16,079</u>

The accompanying notes are an integral part of these financial statements

Special Revenue		Capital Projects			
Cash in Lieu	Bonds/Judicial Renovation	Legislative Appropriation FY 02/03	Legislative Appropriation FY 03/04	Legislative Appropriation FY 04/05	Tome Adelino
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
63,838	-	-	-	-	-
-	-	-	-	-	-
-	14,268	-	103,771	206,323	307,405
-	-	-	-	-	-
-	-	-	-	-	-
-	1,560	-	-	-	-
-	-	-	-	-	-
<u>63,838</u>	<u>15,828</u>	<u>-</u>	<u>103,771</u>	<u>206,323</u>	<u>307,405</u>
-	18,525	-	13,408	-	-
-	-	-	-	-	-
-	-	-	-	-	43,760
-	-	-	-	-	-
58,629	-	-	-	-	-
-	54,935	-	31,039	178,808	29,959
-	500,000	-	-	-	-
-	290,985	-	-	-	-
<u>58,629</u>	<u>864,445</u>	<u>-</u>	<u>44,447</u>	<u>178,808</u>	<u>73,719</u>
<u>5,209</u>	<u>(848,617)</u>	<u>-</u>	<u>59,324</u>	<u>27,515</u>	<u>233,686</u>
-	790,985	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	790,985	-	-	-	-
-	-	-	-	-	-
5,209	(57,632)	-	59,324	27,515	233,686
(4,716)	377,840	-	(59,324)	(27,515)	(233,686)
<u>\$ 493</u>	<u>\$ 320,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2009

	Capital Projects		
	Legislative Appropriation FY 07/08	Legislative Appropriation FY 08/09	Corrections GRT
<i>Revenues</i>			
Taxes:			
Property	\$ -	\$ -	\$ -
Gross receipts	-	-	846,604
Gasoline, motor vehicle and cigarette taxes	-	-	-
Intergovernmental:			
Federal operating grants	-	-	-
State operating grants	-	-	-
State capital grants	1,934,680	606,653	-
Charges for services	-	-	-
Licenses and fees	-	-	-
Investment income	-	-	-
Miscellaneous	-	-	-
	<i>Total revenues</i>		
	1,934,680	606,653	846,604
<i>Expenditures:</i>			
General government	180,190	226,904	-
Public safety	-	-	69,784
Public works	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	419,300	379,749	39,517
Debt service:			
Principal	-	-	-
Interest	-	-	-
	<i>Total expenditures</i>		
	599,490	606,653	109,301
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,335,190</u>	<u>-</u>	<u>737,303</u>
<i>Other financing sources (uses)</i>			
Transfers in	-	-	428,622
Transfers out	-	-	-
Loan proceeds	-	-	-
	<i>Total other financing sources (uses)</i>		
	-	-	428,622
<i>Special item</i>			
Debt relief	-	-	-
<i>Net change in fund balance</i>	<u>1,335,190</u>	<u>-</u>	<u>1,165,925</u>
<i>Fund balance - beginning of year</i>	<u>(1,187,543)</u>	<u>-</u>	<u>205,126</u>
<i>Fund balance - end of year</i>	<u>\$ 147,647</u>	<u>\$ -</u>	<u>\$ 1,371,051</u>

The accompanying notes are an integral part of these financial statements

Debt Service					Total
El Cerro Pump	Adult Detention	Meadow Lake Fire Department	Highland Meadow Fire Department	County Debt Service	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,032,104	\$ 1,347,136
21,932	548,431	35,829	-	-	5,182,184
-	-	-	-	-	639
-	-	-	-	-	441,561
-	-	-	-	-	609,746
-	-	-	-	-	3,173,100
-	-	-	-	-	100
-	-	-	-	-	245,363
473	5,655	1,240	4	-	20,024
-	-	-	-	-	-
<u>22,405</u>	<u>554,086</u>	<u>37,069</u>	<u>4</u>	<u>1,032,104</u>	<u>11,019,853</u>
-	-	-	-	-	1,900,786
-	-	-	-	-	2,122,871
-	-	-	-	-	43,760
-	-	-	-	-	783,781
-	-	-	-	-	1,666,706
-	-	-	-	-	2,002,875
-	200,000	-	-	-	1,485,942
-	2,578	-	-	-	351,437
-	<u>202,578</u>	-	-	-	<u>10,358,158</u>
<u>22,405</u>	<u>351,508</u>	<u>37,069</u>	<u>4</u>	<u>1,032,104</u>	<u>661,695</u>
-	668,877	-	-	-	3,252,558
-	(1,217,055)	-	-	(790,985)	(2,008,797)
-	-	-	-	-	137,025
-	<u>(548,178)</u>	-	-	<u>(790,985)</u>	<u>1,380,786</u>
-	-	-	-	-	428,936
22,405	(196,670)	37,069	4	241,119	2,471,417
<u>75,007</u>	<u>196,670</u>	<u>33,878</u>	<u>-</u>	<u>1,254,425</u>	<u>4,965,752</u>
<u>\$ 97,412</u>	<u>\$ -</u>	<u>\$ 70,947</u>	<u>\$ 4</u>	<u>\$ 1,495,544</u>	<u>\$ 7,437,169</u>

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STATE OF NEW MEXICO

Statement B-01

Valencia County

Farm and Range Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	4,000	4,000	3,279	(721)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,000</u>	<u>4,000</u>	<u>3,279</u>	<u>(721)</u>
<i>Expenditures</i>				
Current:				
General government	4,000	4,000	4,000	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(721)</u>	<u>(721)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(721)</u>	<u>(721)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,089</u>	<u>1,089</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 368</u>	<u>\$ 368</u>
<i>Net change in fund balances (Budget Basis)</i>				<u>\$ (721)</u>
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (721)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-02

Valencia County

Recreation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	639	639
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	203,219	203,219	20,772	(182,447)
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>203,219</u>	<u>203,219</u>	<u>21,411</u>	<u>(181,808)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	204,889	204,889	22,502	182,387
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>204,889</u>	<u>204,889</u>	<u>22,502</u>	<u>182,387</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,670)</u>	<u>(1,670)</u>	<u>(1,091)</u>	<u>579</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,670	1,670	-	(1,670)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,670</u>	<u>1,670</u>	<u>-</u>	<u>(1,670)</u>
<i>Net change in fund balance</i>	-	-	(1,091)	(1,091)
<i>Fund balance - beginning of year</i>	-	-	8,008	8,008
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,917</u>	<u>\$ 6,917</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (1,091)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (1,091)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-03

Valencia County

Juvenile Detention Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	260,000	260,000	71,335	(188,665)
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>260,000</u>	<u>260,000</u>	<u>71,335</u>	<u>(188,665)</u>
<i>Expenditures</i>				
Current:				
General government	437,157	438,087	347,588	90,499
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>437,157</u>	<u>438,087</u>	<u>347,588</u>	<u>90,499</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(177,157)</u>	<u>(178,087)</u>	<u>(276,253)</u>	<u>(98,166)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(472,843)	(471,913)	-	471,913
Transfers in	650,000	650,000	276,253	(373,747)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>177,157</u>	<u>178,087</u>	<u>276,253</u>	<u>98,166</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenues for state operating grants accrual				11,825
Adjustments to expenditures for general government expenditure accrual				(48,563)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (36,738)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-04

Valencia County

Older American Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	33,912	33,912
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	33,080	33,080	-	(33,080)
<i>Total revenues</i>	<u>33,080</u>	<u>33,080</u>	<u>33,912</u>	<u>832</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	33,080	33,083	32,358	725
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>33,080</u>	<u>33,083</u>	<u>32,358</u>	<u>725</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(3)</u>	<u>1,554</u>	<u>1,557</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	3	-	(3)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>3</u>	<u>-</u>	<u>(3)</u>
<i>Net change in fund balance</i>	-	-	1,554	1,554
<i>Fund balance - beginning of year</i>	-	-	30,569	30,569
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,123</u>	<u>\$ 32,123</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 1,554
No adjustment for revenues accruals				-
Adjustments to expenditures for culture and recreation function accrual				4,005
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 5,559</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-05

Valencia County

Fire Protection Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	587,465	587,465	587,500	35
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	20,296	20,296
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>587,465</u>	<u>587,465</u>	<u>607,796</u>	<u>20,331</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	550,069	626,967	445,819	181,148
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	153,395	183,389	170,235	13,154
Debt service:				
Principal	75,984	75,986	59,251	16,735
Interest	-	-	16,733	(16,733)
<i>Total expenditures</i>	<u>779,448</u>	<u>886,342</u>	<u>692,038</u>	<u>194,304</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(191,983)</u>	<u>(298,877)</u>	<u>(84,242)</u>	<u>214,635</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	191,983	298,877	-	(298,877)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>191,983</u>	<u>298,877</u>	<u>-</u>	<u>(298,877)</u>
<i>Net change in fund balances</i>	-	-	(84,242)	(84,242)
<i>Fund balance - beginning of year</i>	-	-	465,878	465,878
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381,636</u>	<u>\$ 381,636</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (84,242)
Adjustments to revenue for gross receipt taxes and state operating grant accrual				311,577
Adjustments to expenditures for public safety function accrual				(361,703)
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (134,368)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-06

Valencia County

EMS Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	45,739	45,739	53,999	8,260
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	834	834
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>45,739</u>	<u>45,739</u>	<u>54,833</u>	<u>9,094</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	39,139	53,239	42,472	10,767
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	6,600	16,996	14,693	2,303
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>45,739</u>	<u>70,235</u>	<u>57,165</u>	<u>13,070</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(24,496)</u>	<u>(2,332)</u>	<u>22,164</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	24,496	-	(24,496)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>24,496</u>	<u>-</u>	<u>(24,496)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(2,332)</u>	<u>(2,332)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>25,287</u>	<u>25,287</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,955</u>	<u>\$ 22,955</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (2,332)
No adjustments for revenue accruals				-
Adjustments to expenditures for public safety function accrual				(3,942)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (6,274)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-07

Valencia County

Wildlife Fire Reimbursement Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	4,000	4,000	5,739	1,739
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,000</u>	<u>4,000</u>	<u>5,739</u>	<u>1,739</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	4,000	10,529	9,724	805
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,000</u>	<u>10,529</u>	<u>9,724</u>	<u>805</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(6,529)</u>	<u>(3,985)</u>	<u>2,544</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	6,529	-	(6,529)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>6,529</u>	<u>-</u>	<u>(6,529)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(3,985)</u>	<u>(3,985)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,900</u>	<u>6,900</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,915</u>	<u>\$ 2,915</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (3,985)
Adjustments to revenues for gross receipt tax accruals				(2,998)
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (6,983)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-08

Valencia County

Neighborhood Watch Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	1,652	1,652
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,652</u>	<u>\$ 1,652</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-09

Valencia County

Valuation Maintenance Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ 230,000	\$ 230,000	\$ 313,818	\$ 83,818
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>230,000</u>	<u>230,000</u>	<u>313,818</u>	<u>83,818</u>
<i>Expenditures</i>				
Current:				
General government	254,454	254,454	210,849	43,605
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	26,200	26,200	25,288	912
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>280,654</u>	<u>280,654</u>	<u>236,137</u>	<u>44,517</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(50,654)</u>	<u>(50,654)</u>	<u>77,681</u>	<u>128,335</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	50,654	50,654	-	(50,654)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>50,654</u>	<u>50,654</u>	<u>-</u>	<u>(50,654)</u>
<i>Net change in fund balance</i>	-	-	77,681	77,681
<i>Fund balance - beginning of year</i>	-	-	252,942	252,942
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 330,623</u>	<u>\$ 330,623</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 77,681
Adjustments to revenues for property tax receivable accruals				1,214
Adjustments to expenditures for general government function accruals				(3,898)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 74,997</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

Valencia County

Fire Excise Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	288,000	288,000	332,634	44,634
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	23,620	23,620
Federal capital grants	-	-	-	-
State operating grants	-	-	305,450	305,450
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	604	604
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>288,000</u>	<u>288,000</u>	<u>662,308</u>	<u>374,308</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	179,178	221,768	141,745	80,023
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	204,216	510,532	329,016	181,516
Debt service:				
Principal	43,694	39,994	24,723	15,271
Interest	-	-	3,402	(3,402)
<i>Total expenditures</i>	<u>427,088</u>	<u>772,294</u>	<u>498,886</u>	<u>273,408</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(139,088)</u>	<u>(484,294)</u>	<u>163,422</u>	<u>647,716</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	139,088	484,294	-	(484,294)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>139,088</u>	<u>484,294</u>	<u>-</u>	<u>(484,294)</u>
<i>Net change in fund balances</i>	-	-	163,422	163,422
<i>Fund balance - beginning of year</i>	-	-	364,102	364,102
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 527,524</u>	<u>\$ 527,524</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 163,422
Adjustments to revenues for gross receipts tax accruals				(647,546)
Adjustments to expenditures for public safety function accruals				305,221
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (178,903)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

Valencia County

Law Enforcement Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	48,600	48,600	48,600	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>48,600</u>	<u>48,600</u>	<u>48,600</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	8,600	9,450	1,824	7,626
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	40,000	39,150	29,296	9,854
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>48,600</u>	<u>48,600</u>	<u>31,120</u>	<u>17,480</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>17,480</u>	<u>17,480</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>17,480</u>	<u>17,480</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>45,017</u>	<u>45,017</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,497</u>	<u>\$ 62,497</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 17,480
Adjustments to revenues for gross receipt tax accruals				2,400
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 19,880</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

Valencia County

Tome Adelino Community Center Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	15,115	15,115
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	151	151
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>15,266</u>	<u>15,266</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>15,266</u>	<u>15,266</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	15,266	15,266
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>36,397</u>	<u>36,397</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,663</u>	<u>\$ 51,663</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 15,266
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 15,266</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

Valencia County

CDBG Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	150,740	150,740	89,991	(60,749)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>150,740</u>	<u>150,740</u>	<u>89,991</u>	<u>(60,749)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	150,740	150,740	50,642	100,098
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>150,740</u>	<u>150,740</u>	<u>50,642</u>	<u>100,098</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>39,349</u>	<u>39,349</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	39,349	39,349
<i>Fund balance - beginning of year</i>	-	-	(66,046)	(66,046)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,697)</u>	<u>\$ (26,697)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 39,349
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 39,349</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

Valencia County

Law Enforcement Explorer Program Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	3,000	3,000	-	(3,000)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	3,000	3,000	220	2,780
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,000</u>	<u>3,000</u>	<u>220</u>	<u>2,780</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(220)</u>	<u>(220)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(220)	(220)
<i>Fund balance - beginning of year</i>	-	-	1,250	1,250
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,030</u>	<u>\$ 1,030</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (220)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (220)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

Valencia County

County Indigent Claims Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	1,603,039	1,603,039	1,571,844	(31,195)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	15,000	15,000	11,673	(3,327)
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	5,052	5,052
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,618,039</u>	<u>1,618,039</u>	<u>1,588,569</u>	<u>(29,470)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,597,039	1,597,039	1,340,526	256,513
Capital outlay	6,000	6,000	-	6,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,603,039</u>	<u>1,603,039</u>	<u>1,340,526</u>	<u>262,513</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>15,000</u>	<u>15,000</u>	<u>248,043</u>	<u>233,043</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(15,000)	(15,000)	-	15,000
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>	<u>15,000</u>
<i>Net change in fund balance</i>	-	-	248,043	248,043
<i>Fund balance - beginning of year</i>	-	-	1,453,678	1,453,678
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,701,721</u>	<u>\$ 1,701,721</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 248,043
Adjustments to revenues for other taxes receivable and investment income accrual				(33,012)
Adjustments to expenditure for health and welfare function accrual				(71,799)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 143,232</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

Valencia County

G.R.E.A.T Grant Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	146,170	146,170	150,000	3,830
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>146,170</u>	<u>146,170</u>	<u>150,000</u>	<u>3,830</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	140,000	146,170	145,110	1,060
Capital outlay	6,170	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>146,170</u>	<u>146,170</u>	<u>145,110</u>	<u>1,060</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,890</u>	<u>4,890</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>4,890</u>	<u>4,890</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,047)</u>	<u>(4,047)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 843</u>	<u>\$ 843</u>
<i>Net change in fund balances (Budget Basis)</i>				<u>\$ 4,890</u>
No adjustments for revenue accrual				-
No adjustments for expenditure accrual				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 4,890</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

Valencia County

Solid Waste Performance Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	10,000	10,000	-	(10,000)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	10,000	10,000	-	(10,000)
<i>Total revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(20,000)	(20,000)	-	20,000
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
Adjustments to revenue for gross receipt tax accrual				2,500
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 2,500</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

Valencia County

Solid Waste GRT Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	200,000	200,000	167,492	(32,508)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	103,000	103,000	2,530	(100,470)
State capital grants	-	-	-	-
License and fees	202,000	202,000	229,181	27,181
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>505,000</u>	<u>505,000</u>	<u>399,203</u>	<u>(105,797)</u>
<i>Expenditures</i>				
Current:				
General government	702,460	833,360	707,543	125,817
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	3,000	3,100	2,874	226
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>705,460</u>	<u>836,460</u>	<u>710,417</u>	<u>126,043</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(200,460)</u>	<u>(331,460)</u>	<u>(311,214)</u>	<u>20,246</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	131,000	-	(131,000)
Transfers in	200,460	200,460	310,564	110,104
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>200,460</u>	<u>331,460</u>	<u>310,564</u>	<u>(20,896)</u>
<i>Net change in fund balance</i>	-	-	(650)	(650)
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (650)</u>	<u>\$ (650)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (650)
Adjustments to revenues for gross receipt tax and licenses and fees accrual				7,218
Adjustments to expenditures for general government function accruals				(62,148)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (55,580)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

Valencia County

Clerk's Equipment Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	78,000	78,000	63,944	(14,056)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>78,000</u>	<u>78,000</u>	<u>63,944</u>	<u>(14,056)</u>
<i>Expenditures</i>				
Current:				
General government	109,140	108,940	76,078	32,862
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	31,200	31,400	17,142	14,258
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>140,340</u>	<u>140,340</u>	<u>93,220</u>	<u>47,120</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(62,340)</u>	<u>(62,340)</u>	<u>(29,276)</u>	<u>33,064</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	62,340	62,340	-	(62,340)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>62,340</u>	<u>62,340</u>	<u>-</u>	<u>(62,340)</u>
<i>Net change in fund balance</i>	-	-	(29,276)	(29,276)
<i>Fund balance - beginning of year</i>	-	-	163,623	163,623
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,347</u>	<u>\$ 134,347</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (29,276)
No adjustments for revenue accruals				
Adjustments to expenditures for general government and capital outlay function accrual				
				(61)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (29,337)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

Valencia County

LLEBG Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	757	757
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>757</u>	<u>757</u>
<i>Net change in fund balance</i>	-	-	757	757
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(757)</u>	<u>(757)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 757
No adjustment for revenue accruals				-
No adjustment for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 757</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

Valencia County

Special Revenue Bond Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	14,855	14,855
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,855</u>	<u>\$ 14,855</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

Valencia County

Sheriff's GRT Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	779,252	779,252
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	800,000	800,000	18,520	(781,480)
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>800,000</u>	<u>800,000</u>	<u>797,772</u>	<u>(2,228)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	899,500	957,400	951,728	5,672
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	10,200	38,300	26,131	12,169
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>909,700</u>	<u>995,700</u>	<u>977,859</u>	<u>17,841</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(109,700)</u>	<u>(195,700)</u>	<u>(180,087)</u>	<u>15,613</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	109,700	195,700	-	(195,700)
Transfers in	-	-	-	-
Transfers out	-	-	(757)	(757)
<i>Total other financing sources (uses)</i>	<u>109,700</u>	<u>195,700</u>	<u>(757)</u>	<u>(196,457)</u>
<i>Net change in fund balance</i>	-	-	(180,844)	(180,844)
<i>Fund balance - beginning of year</i>	-	-	472,581	472,581
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,737</u>	<u>\$ 291,737</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (180,844)
Adjustments to revenues for gross receipt tax accruals				(21,077)
Adjustments to expenditures for public safety and capital outlay function accruals				(10,454)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (212,375)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

Valencia County

Road GRT Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	172,202	672,202	166,983	(505,219)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>172,202</u>	<u>672,202</u>	<u>166,983</u>	<u>(505,219)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	699,900	579,644	120,256
Debt service:				
Principal	127,939	128,039	123,799	4,240
Interest	-	-	37,739	(37,739)
<i>Total expenditures</i>	<u>127,939</u>	<u>827,939</u>	<u>741,182</u>	<u>86,757</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>44,263</u>	<u>(155,737)</u>	<u>(574,199)</u>	<u>(418,462)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(44,263)	155,737	-	(155,737)
Transfers in	-	-	500,000	500,000
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(44,263)</u>	<u>155,737</u>	<u>500,000</u>	<u>344,263</u>
<i>Net change in fund balances</i>	-	-	(74,199)	(74,199)
<i>Fund balance - beginning of year</i>	-	-	172,202	172,202
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,003</u>	<u>\$ 98,003</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (74,199)
Adjustments to revenues for gross receipt tax accruals				(5,789)
No adjustments for expenditure accruals				-
<i>Net changes in fund balances (GAAP Basis)</i>				<u>\$ (79,988)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

Valencia County

Fire GRT Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	170,000	170,000	166,983	(3,017)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>170,000</u>	<u>170,000</u>	<u>166,983</u>	<u>(3,017)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	170,000	176,000	175,663	337
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>170,000</u>	<u>176,000</u>	<u>175,663</u>	<u>337</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(6,000)</u>	<u>(8,680)</u>	<u>(2,680)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	6,000	-	(6,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>(6,000)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(8,680)</u>	<u>(8,680)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>34,943</u>	<u>34,943</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,263</u>	<u>\$ 26,263</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (8,680)
Adjustments to revenues for gross receipt tax accruals				(5,789)
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (14,469)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

Valencia County

Traffic Safety Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	66,815	66,815	77,138	10,323
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>66,815</u>	<u>66,815</u>	<u>77,138</u>	<u>10,323</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	44,370	81,061	35,555	45,506
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	22,445	22,445	6,035	16,410
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>66,815</u>	<u>103,506</u>	<u>41,590</u>	<u>61,916</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(36,691)</u>	<u>35,548</u>	<u>72,239</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	36,691	-	(36,691)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>36,691</u>	<u>-</u>	<u>(36,691)</u>
<i>Net change in fund balance</i>	-	-	35,548	35,548
<i>Fund balance - beginning of year</i>	-	-	(15,189)	(15,189)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,359</u>	<u>\$ 20,359</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 35,548
Adjustments to revenues for state operating grants accruals				(9,000)
Adjustments to expenditures for public safety function accruals				3,063
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 29,611</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

Valencia County

Homeland Security Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	3,500	3,500
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,500</u>	<u>\$ 3,500</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

Valencia County

Title III-B Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	42,540	42,540	35,156	(7,384)
Federal capital grants	-	-	-	-
State operating grants	48,681	48,681	23,278	(25,403)
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	100	100
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>91,221</u>	<u>91,221</u>	<u>58,534</u>	<u>(32,687)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	140,988	104,073	89,603	14,470
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>140,988</u>	<u>104,073</u>	<u>89,603</u>	<u>14,470</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(49,767)</u>	<u>(12,852)</u>	<u>(31,069)</u>	<u>(18,217)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	16,641	(20,274)	-	20,274
Transfers in	33,126	33,126	34,563	1,437
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>49,767</u>	<u>12,852</u>	<u>34,563</u>	<u>21,711</u>
<i>Net change in fund balance</i>	-	-	3,494	3,494
<i>Fund balance - beginning of year</i>	-	-	11,597	11,597
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,091</u>	<u>\$ 15,091</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 3,494
Adjustments to revenue for state and federal operating grants accrual				3,537
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 7,031</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

Valencia County

Title III-E Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	25	25
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 25</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

Valencia County

Title C-1 Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	67,082	67,082	66,410	(672)
Federal capital grants	-	-	-	-
State operating grants	91,904	91,904	50,489	(41,415)
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>158,986</u>	<u>158,986</u>	<u>116,899</u>	<u>(42,087)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	221,676	186,407	186,407	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>221,676</u>	<u>186,407</u>	<u>186,407</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(62,690)</u>	<u>(27,421)</u>	<u>(69,508)</u>	<u>(42,087)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	4,819	(30,450)	-	30,450
Transfers in	57,871	57,871	59,908	2,037
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>62,690</u>	<u>27,421</u>	<u>59,908</u>	<u>32,487</u>
<i>Net change in fund balance</i>	-	-	(9,600)	(9,600)
<i>Fund balance - beginning of year</i>	-	-	(3,588)	(3,588)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,188)</u>	<u>\$ (13,188)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ (9,600)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (9,600)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

Valencia County

Title C-2 Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	15,329	15,329	15,329	-
Federal capital grants	-	-	-	-
State operating grants	195,864	195,864	277,447	81,583
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>211,193</u>	<u>211,193</u>	<u>292,776</u>	<u>81,583</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	408,583	480,764	454,868	25,896
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>408,583</u>	<u>480,764</u>	<u>454,868</u>	<u>25,896</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(197,390)</u>	<u>(269,571)</u>	<u>(162,092)</u>	<u>107,479</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	11,887	84,068	-	(84,068)
Transfers in	185,503	185,503	182,029	(3,474)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>197,390</u>	<u>269,571</u>	<u>182,029</u>	<u>(87,542)</u>
<i>Net change in fund balance</i>	-	-	19,937	19,937
<i>Fund balance - beginning of year</i>	-	-	(8,295)	(8,295)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,642</u>	<u>\$ 11,642</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 19,937
Adjustments to revenue for state and federal operating grants accrual				3,959
Adjustments to expenditures for culture and recreation function accruals				(2,048)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 21,848</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

Valencia County

Cash in Lieu Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	52,236	52,236	58,646	6,410
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>52,236</u>	<u>52,236</u>	<u>58,646</u>	<u>6,410</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	52,236	58,629	58,629	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>52,236</u>	<u>58,629</u>	<u>58,629</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(6,393)</u>	<u>17</u>	<u>6,410</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	6,393	-	(6,393)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>6,393</u>	<u>-</u>	<u>(6,393)</u>
<i>Net change in fund balance</i>	-	-	17	17
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(4,716)</u>	<u>(4,716)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,699)</u>	<u>\$ (4,699)</u>
<i>Net change in fund balances (Budget Basis)</i>				\$ 17
Adjustments to revenue for federal operating grant accrual				5,192
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 5,209</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

Valencia County

Legislative Appropriation FY 06/07 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	1,891,639	1,891,639	858,874	(1,032,765)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,891,639</u>	<u>1,891,639</u>	<u>858,874</u>	<u>(1,032,765)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,891,639	1,891,639	713,255	1,178,384
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,891,639</u>	<u>1,891,639</u>	<u>713,255</u>	<u>1,178,384</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>145,619</u>	<u>145,619</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	145,619	145,619
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(556,247)</u>	<u>(556,247)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (410,628)</u>	<u>\$ (410,628)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 145,619
Adjustments to revenues for state capital grants accruals				567,776
Adjustments to expenditures for capital outlay function accruals				(79,793)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 633,602</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Valencia County
Bond/Judicial Renovation Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

Statement B-33

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	315,017	315,017	14,268	(300,749)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	790,985	790,985	1,560	(789,425)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,106,002</u>	<u>1,106,002</u>	<u>15,828</u>	<u>(1,090,174)</u>
<i>Expenditures:</i>				
Current:				
General government	100,000	101,000	18,525	82,475
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	215,017	214,007	54,935	159,072
Debt service:				
Principal	790,975	790,975	500,000	290,975
Interest	-	-	290,985	(290,985)
<i>Total expenditures</i>	<u>1,105,992</u>	<u>1,105,982</u>	<u>864,445</u>	<u>241,537</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>10</u>	<u>20</u>	<u>(848,617)</u>	<u>(848,637)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(10)	(20)	-	20
Transfers in	-	-	790,985	790,985
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(10)</u>	<u>(20)</u>	<u>790,985</u>	<u>791,005</u>
<i>Net change in fund balance</i>	-	-	(57,632)	(57,632)
<i>Fund balance - beginning of year</i>	-	-	377,840	377,840
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,208</u>	<u>\$ 320,208</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (57,632)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (57,632)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

Valencia County

Legislation Appropriation FY 02/03 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	19,829	19,829
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,829</u>	<u>\$ 19,829</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-35

Valencia County

Legislative Appropriation FY 03/04 Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	50,000	50,000	-	(50,000)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	50,000	50,000	44,447	5,553
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>44,447</u>	<u>5,553</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(44,447)</u>	<u>(44,447)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(44,447)	(44,447)
<i>Fund balance - beginning of year</i>	-	-	(59,324)	(59,324)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (103,771)</u>	<u>\$ (103,771)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (44,447)
Adjustments to revenue for state capital grants accruals				103,771
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 59,324</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-36

Valencia County

Legislative Appropriation FY 04/05 Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	197,638	197,638	35,531	(162,107)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>197,638</u>	<u>197,638</u>	<u>35,531</u>	<u>(162,107)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	197,638	197,638	178,808	18,830
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>197,638</u>	<u>197,638</u>	<u>178,808</u>	<u>18,830</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(143,277)</u>	<u>(143,277)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(143,277)	(143,277)
<i>Fund balance - beginning of year</i>	-	-	(27,515)	(27,515)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (170,792)</u>	<u>\$ (170,792)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (143,277)
Adjustments to revenues for state capital grants accruals				170,792
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 27,515</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-37

Valencia County

Tome Adelino Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	254,540	254,540	162,000	(92,540)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>254,540</u>	<u>254,540</u>	<u>162,000</u>	<u>(92,540)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	40,000	40,000	38,752	1,248
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	214,540	214,540	34,967	179,573
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>254,540</u>	<u>254,540</u>	<u>73,719</u>	<u>180,821</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>88,281</u>	<u>88,281</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	88,281	88,281
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(233,686)</u>	<u>(233,686)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (145,405)</u>	<u>\$ (145,405)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 88,281
Adjustments to revenue for state capital grants accruals				145,405
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 233,686</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-38

Valencia County

Legislative Appropriation FY 07/08 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	1,227,124	1,202,124	2,202,846	1,000,722
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,227,124</u>	<u>1,202,124</u>	<u>2,202,846</u>	<u>1,000,722</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,202,124	1,207,885	641,135	566,750
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,202,124</u>	<u>1,207,885</u>	<u>641,135</u>	<u>566,750</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>25,000</u>	<u>(5,761)</u>	<u>1,561,711</u>	<u>1,567,472</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(25,000)	5,761	-	(5,761)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(25,000)</u>	<u>5,761</u>	<u>-</u>	<u>(5,761)</u>
<i>Net change in fund balance</i>	-	-	1,561,711	1,561,711
<i>Fund balance - beginning of year</i>	-	-	(1,690,264)	(1,690,264)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (128,553)</u>	<u>\$ (128,553)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 1,561,711
Adjustments to revenue for state capital grants accruals				(268,166)
Adjustments to expenditures for capital outlay function accrual				41,645
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1,335,190</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-39

Valencia County

Legislative Appropriation FY 08/09 Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	1,760,585	1,770,585	395,387	(1,375,198)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,760,585</u>	<u>1,770,585</u>	<u>395,387</u>	<u>(1,375,198)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,487,200	1,880,565	567,632	1,312,933
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,487,200</u>	<u>1,880,565</u>	<u>567,632</u>	<u>1,312,933</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>273,385</u>	<u>(109,980)</u>	<u>(172,245)</u>	<u>(62,265)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(273,385)	109,980	-	(109,980)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(273,385)</u>	<u>109,980</u>	<u>-</u>	<u>(109,980)</u>
<i>Net change in fund balance</i>	-	-	(172,245)	(172,245)
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (172,245)</u>	<u>\$ (172,245)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (172,245)
Adjustments to revenue for state capital grants accruals				211,266
Adjustments to expenditures for capital outlay function accrual				(39,021)
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Valencia County
Corrections GRT Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

Statement B-40

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	700,511	700,511
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>700,511</u>	<u>700,511</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	402,022	26,046	375,976
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	83,315	83,255	60
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>485,337</u>	<u>109,301</u>	<u>376,036</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(485,337)</u>	<u>591,210</u>	<u>1,076,547</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	485,337	-	(485,337)
Transfers in	-	-	428,622	428,622
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>485,337</u>	<u>428,622</u>	<u>(56,715)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>1,019,832</u>	<u>1,019,832</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>205,126</u>	<u>205,126</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,224,958</u>	<u>\$ 1,224,958</u>
<i>Net change in fund balance (Budget Basis)</i>				<u>\$ 1,019,832</u>
No adjustments for revenue accruals				-
Adjustments to expenditures for capital outlay function accrual				<u>146,093</u>
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1,165,925</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-41

Valencia County

El Cerro Pump Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	21,932	21,932
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	473	473
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>22,405</u>	<u>22,405</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>22,405</u>	<u>22,405</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	22,405	22,405
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>75,007</u>	<u>75,007</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,412</u>	<u>\$ 97,412</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 22,405
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 22,405</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-42

Valencia County

Adult Detention Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	211,101	211,101	548,431	337,330
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	5,655	5,655
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>211,101</u>	<u>211,101</u>	<u>554,086</u>	<u>342,985</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	211,101	211,101	202,578	8,523
Interest	-	-	-	-
<i>Total expenditures</i>	<u>211,101</u>	<u>211,101</u>	<u>202,578</u>	<u>8,523</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>351,508</u>	<u>351,508</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	668,877	668,877
Transfers out	-	-	(1,217,055)	(1,217,055)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(548,178)</u>	<u>(548,178)</u>
<i>Net change in fund balances</i>	-	-	(196,670)	(196,670)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>196,670</u>	<u>196,670</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (196,670)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (196,670)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-43

Valencia County

Meadow Lake Fire Department Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	35,829	35,829
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	1,240	1,240
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>37,069</u>	<u>37,069</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>37,069</u>	<u>37,069</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	37,069	37,069
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>33,878</u>	<u>33,878</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,947</u>	<u>\$ 70,947</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 37,069
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 37,069</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-44

Valencia County

Highland Meadow Fire Department Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	4	4
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	4	4
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 4
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 4</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-45

Valencia County

County Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ 1,031,044	\$ 1,031,044
Gross receipt taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
License and fees	-	-	-	-
Changes for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,031,044</u>	<u>1,031,044</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,031,044</u>	<u>1,031,044</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(790,985)	790,985
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(790,985)</u>	<u>790,985</u>
<i>Net change in fund balances</i>	-	-	240,059	240,059
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,233,660</u>	<u>1,233,660</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,473,719</u>	<u>\$ 1,473,719</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 240,059
Adjustments to revenue for property tax accruals				1,060
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 241,119</u>

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Valencia County
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2009

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>
Bank of the West			
	Southern Sandoval NMA	8/1/2012	843789DC9
	University NM Gallup Branch	8/1/2012	914684CJ2
	Southern Sandoval NMA	8/1/2015	843789DF2
	University NM Gallup Branch	8/1/2011	914684CH6
	Southern Sandoval NMA	8/1/2020	843789DL9
	University NM Gallup Branch	8/1/2010	914684CG8
	University NM Gallup Branch	8/1/2022	914684CU7
	Southern Sandoval NMA	8/1/2011	843789DB1
	Southern Sandoval NMA	8/1/2016	843789DG0
	University NM Gallup Branch	8/1/2020	914684CS2
	FNMA 5 3/8	11/15/2011	31359MLS0
	University NM Gallup Branch	8/1/2022	914684CU7
	Total Bank of the West		
Wells Fargo Bank			
	FNCL 956994	12/1/2037	31413VUT2
	Total Wells Fargo Bank		
First Community Bank			
	FHR 2772 KP	6/15/2022	31394XJL1
	MBS GNMA II	11/20/2036	36202EXM6
	Total First Community Bank		
NM Bank and Trust			
	FHLMC REMIC SER 1004 CL H	10/15/2020	312904MG7
	FNMA REMIC SER 2009-27 CL NA	6/25/2035	31397NSS5
	Belen NM Gross Receipts Tax Rev	6/1/2026	077571CS4
	Total NM Bank and Trust		
MyBank			
	FHLB - Irrevocable Standby Letter of Credit	1/14/2010	4572005949
	Total MyBank		
	Total Pledged Collateral		

* Par Value used for New Mexico Securities Pledged

See accompanying independent auditor's report

Fair Market Value *Par Value June 30, 2009	<u>Name and Location of Safekeeper</u>
\$ 150,000	Wells Fargo - Minneapolis, Minnesota
200,000	Wells Fargo - Minneapolis, Minnesota
200,000	Wells Fargo - Minneapolis, Minnesota
175,000	Wells Fargo - Minneapolis, Minnesota
155,000	Wells Fargo - Minneapolis, Minnesota
150,000	Wells Fargo - Minneapolis, Minnesota
1,049,000	Wells Fargo - Minneapolis, Minnesota
350,000	Wells Fargo - Minneapolis, Minnesota
250,000	Wells Fargo - Minneapolis, Minnesota
350,000	Wells Fargo - Minneapolis, Minnesota
2,289,756	Wells Fargo - Minneapolis, Minnesota
250,000	Wells Fargo - Minneapolis, Minnesota
<hr/>	
5,568,756	
<hr/>	
95,435	Wells Fargo - Minneapolis, Minnesota
<hr/>	
95,435	
<hr/>	
1,761,376	Federal Home Loan Bank - Dallas, TX
246,537	Federal Home Loan Bank - Dallas, TX
<hr/>	
2,007,913	
<hr/>	
63,589	Commerce Bank of St. Louis
1,800,135	Commerce Bank of St. Louis
1,040,000	Commerce Bank of St. Louis
<hr/>	
2,903,724	
<hr/>	
925,000	Federal Home Loan Bank - Dallas, TX
<hr/>	
925,000	
<hr/>	
\$ 11,500,828	

STATE OF NEW MEXICO
Valencia County
Schedule of Deposit and Investment Accounts
June 30, 2009

Bank Name	Acct. Type	Bank Balance
Deposits:		
Bank of the West		
Operational Checking Account	Checking	\$ 6,021,569
Hospital	Checking	5,151,054
Wells Fargo		
Adult Detention Commissary	Checking	70,645
CDBG	Checking	39
Judicial Complex	Money Market	284,898
Choice IV Public Funds	Money Market	33,211
First Community Bank		
Elec Fed Tax Pymt System Account	Checking	15,691
Hospital	Money Market	2,456,619
NM Bank & Trust		
Certificate of Deposits	CD	2,468,084
MyBank		
Sheriff Oper/Federal	Checking	10,413
Certificate of Deposits	CD	2,100,000
Subtotal Deposits		<u>18,612,223</u>
US Treasury Money Market Mutual Fund	Mutual Fund	97,587
New Mexico State Treasurer		
LGIP	LGIP	<u>35,815</u>
Total deposits and investments per financials statements		<u><u>\$ 18,745,625</u></u>

Total cash and cash equivalents per Exhibit A-1
Total investments per Exhibit A-1
Total restricted cash and cash equivalents per Exhibit A-1
Total cash and cash equivalents per Exhibit D-1

Total Deposits and Investments

See accompanying independent auditor's report

Deposits in Transit	Outstanding Checks	Book Balance
\$ 1,474	\$ 868,498	\$ 5,154,545
-	-	5,151,054
-	-	70,645
-	-	39
-	-	284,898
-	-	33,211
-	-	15,691
-	-	2,456,619
-	-	2,468,084
-	-	10,413
-	-	2,100,000
<u>1,474</u>	<u>868,498</u>	<u>17,745,199</u>
-	-	97,587
-	-	35,815
<u>\$ 1,474</u>	<u>\$ 868,498</u>	<u>\$ 17,878,601</u>
		\$ 9,101,824
		2,135,815
		97,587
		6,543,375
		<u>\$ 17,878,601</u>

STATE OF NEW MEXICO
Valencia County
Tax Roll Reconciliation-Changes in Property Taxes Receivable
June 30, 2009

Schedule III

Property taxes receivable, beginning of year	\$ 8,075,732
Changes to tax roll:	
Net tax charges to treasurer for fiscal year	34,795,031
Adjustments:	
Net increase in taxes receivable	767,601
Allowance for uncollectible taxes receivable	(2,602,608)
Charge off of taxes receivable	<u>(168,217)</u>
Total receivable prior to collections	40,867,539
Collections for fiscal year ended June 30, 2009	<u>(34,543,217)</u>
Property taxes receivable at June 30, 2009	<u><u>\$ 6,324,322</u></u>
Property taxes are reported as follows:	
Governmental Funds:	
County portion- Exhibit A-1	\$ 2,004,799
Agency portion- Exhibit D-1	<u>4,319,523</u>
Total property taxes receivable	<u><u>\$ 6,324,322</u></u>
Property taxes receivable by years:	
1999	\$ -
2000	29,859
2001	62,842
2002	117,616
2003	187,978
2004	242,766
2005	408,783
2006	680,483
2007	1,467,105
2008	<u>3,126,890</u>
	<u><u>\$ 6,324,322</u></u>

See accompanying independent auditors' report

STATE OF NEW MEXICO

Schedule IV

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

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
ASSETS				
Cash and cash equivalents	\$ 4,026,385	\$ 26,214,013	\$ 23,697,023	\$ 6,543,375
Taxes receivable	<u>4,842,833</u>	<u>24,291,825</u>	<u>24,815,135</u>	<u>4,319,523</u>
<i>Total assets</i>	<u><u>\$ 8,869,218</u></u>	<u><u>\$ 50,505,838</u></u>	<u><u>\$ 48,512,158</u></u>	<u><u>\$ 10,862,898</u></u>
LIABILITIES				
Deposits held in trust for inmates	\$ 281,298	\$ 432,056	\$ 315,587	\$ 397,767
Deposits held in trust for hospital levy	2,398,898	2,810,936	-	5,209,834
Deposits held in trust for other taxing entities	1,346,189	23,206,182	23,616,597	935,774
Due to other taxing entities	<u>4,842,833</u>	<u>24,056,664</u>	<u>24,579,974</u>	<u>4,319,523</u>
<i>Total liabilities</i>	<u><u>\$ 8,869,218</u></u>	<u><u>\$ 50,505,838</u></u>	<u><u>\$ 48,512,158</u></u>	<u><u>\$ 10,862,898</u></u>

See accompanying independent auditors' report

STATE OF NEW MEXICO
Valencia County
Schedule of Legislative Grants
For the Year Ended June 30, 2009

Project	Grant #	Expiration Date	Grant Amount
13th Judicial Dist Courthouse Furnish/Equip	11509	6/30/2011	\$ 1,150,000
Belen and Los Lunas Senior Centers Vehicles	13930	6/30/2009	58,568
Don Ramon Rd Improve	15824	6/30/2011	75,000
Franklin Rd Pave	12549	6/30/2011	58,000
Highland Meadows Area Road Improve	14741	6/30/2011	50,000
Highland Meadows Area Road Improve	14741	6/30/2011	55,000
Highland Meadows Area Road Improve	16635	6/30/2011	100,000
Jarales Cmty Ctr & Sheriff substation Renovation	7254	6/30/2011	270,000
Jarales Fire District Tanker Purchase	12546	6/30/2009	100,000
Kendrick Road Improve	12008	6/30/2011	75,000
Los Chavez Fire Dept Improve/Water tank purchase	7253	6/30/2011	50,000
Meadow Lake Cmty Cntr Repair	7040	6/30/2011	100,000
Meadow Lake fire station construct	7282	6/30/2011	100,000
Meadow Lake Road Improvements	15191	6/30/2011	100,000
Meadow Lake senior ctr code compliance	13972	6/30/2011	28,000
Meadow Lake senior ctr code compliance	13972	6/30/2011	28,000
North Rio Del Oro Rd improve	15717	6/30/2011	20,000
Serafin road speed humps	14881	6/30/2011	16,000
Tome Dominguez Community Center	14602	6/30/2011	450,000
Valencia County Animal Control Fclty Renovate	14755	6/30/2011	400,000
Valencia Co Del Rio Senior Ctr code compliance	13957	6/30/2011	200,000
Valencia Co House Dist 7 Rds/Co Com Dist 4 Rds	15895	6/30/2011	103,900
Valencia Co Seniors Food Delivery Truck purchase	7041	6/30/2009	55,000
Valencia Co Sheriff's Dept Info tech	16097	6/30/2009	180,000
Valencia Co Sheriff's Dept vehicles	16362	6/30/2009	100,000
Valencia Co. Tierra Bonita compactor truck	7568	6/30/2009	10,000
			<u>\$ 3,932,468</u>

The County recognizes the expenditures and related revenues for the capital outlay projects on a reimbursement basis in accordance with GASB 33. Therefore, the remaining grant balance does not appear in the County's financials statements.

See accompanying independent auditors' report

Expenditures To Date	Remaining Grant Balance
\$ 1,150,000	\$ -
58,568	-
73,155	1,845
17,844	40,156
46,283	3,717
55,000	-
99,128	872
103,839	166,161
100,000	-
75,000	-
50,000	-
64,636	35,364
100,000	-
100,000	-
28,000	-
24,785	3,216
20,000	-
16,000	-
430,418	19,582
400,000	-
199,913	87
92,821	11,079
55,000	-
180,000	-
93,238	6,762
10,000	-
<u>\$ 3,643,627</u>	<u>\$ 288,841</u>

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COMPLIANCE SECTION



Accounting & Consulting Group, LLP

**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**

Hector Balderas
New Mexico State Auditor
The Office of Management and Budget
To the Board of Valencia County Commissioners
Valencia County
Los Lunas, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparisons for the General Fund, and major special revenue funds, and the aggregate remaining fund information of Valencia County (County), as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 16, 2009. Our report is qualified because we were unable to verify capital assets, the related accumulated depreciation and the current year depreciation accrual. Further, we were unable to determine the effect, if any, on net assets and the change in net assets. We also have audited the financial statements of each of the County's nonmajor governmental funds and budgetary comparisons for the Legislative Appropriation FY 06/07 Capital Projects Fund, and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009 as listed in the table of contents. 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 County'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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting. These are items FS 2007-10, FS-2007-14, FS 2007-16, FS 2007-18, FS 2008-01, FS 2008-02 and FS 2009-01.

Certified Public Accountants

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items FS 2007-10, FS 2007-14, FS 2007-16, FS 2008-01, and FS-2009-01, to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items FS 2007-12, FS 2007-16, FS 2007-17 and 2009-03.

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as findings FS 2008-02, FS 2009-02, FS 2009-04, and FS 2009-05.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee management, others within the organization, County Commission, the Office of the State Auditor, New Mexico Legislature, the New Mexico Department of Finance and Administration, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Accounting & Consulting Group, L.L.P.

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 16, 2009

STATE OF NEW MEXICO
Valencia County
Schedule of Findings and Responses
June 30, 2009

Section I – Summary of Audit Results:

Financial Statements:

- | | |
|--|-----------|
| 1. Type of auditors' report issued | Qualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | Yes |

FINANCIAL STATEMENT FINDINGS:

FS 2007-10 — Preparation of Financial Statements

Condition: The financial statements and related disclosures are not being prepared by the County.

Criteria: According to the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 112, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems include controls over financial statement preparation, including footnote disclosures.

Effect: When sufficient controls over the preparation of financial statements and related disclosures are not designed, implemented and operating effectively, an entity's ability to prevent or detect a misstatement in its financial statements is limited.

Cause: The County's personnel do not have the time and have not been adequately trained in understanding the elements of external financial reporting including the preparation of financial statements and related footnote disclosures.

Auditors' Recommendation: We recommend County management and personnel receive training on understanding the requirements of external financial reporting.

The training should include, but not be limited to:

- Selection of appropriate accounting policies:
 - Governmental Accounting Standards Board (GASB)
 - Generally Accepted Accounting Principles (specifically as applied to governmental units)
 - Financial Accounting Standards Board (FASB)
- Understanding the financial reporting entity
- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information
 - Management's discussion and analysis
- Supplementary information required by the Office of the State Auditor

In addition, we recommend that the County develop and implement policies and procedures designed to prevent or detect possible misstatements in its financial statements and related footnote disclosures.

Agency's Response: The County has acquired the services of a Budget Analyst position whose duties include developing and implementing policies and procedures that provide the County with the capability to produce Financial Statements including footnote disclosures and supplementary information and schedules. And train current County employees to implement these procedures and compile the Financial Statements and supplementary information in the future.

FS 2007-12 — No Ten Year Property Tax Schedule

Condition: The County does not have a report detailing property tax outstanding and still receivable for the past 10 years. This is information necessary to complete the County's Treasurer's Property Tax Schedule.

Criteria: Section 2.2.2.12D of NMAC requires the County audit report to include a schedule titled "County Treasurer's Property Tax Schedule" that must show by property tax type and agency, the amount of taxes: levied; collected in the current year; collected to-date; distributed in the current year; distributed to date; the amount determined to be uncollectible in the current year; the uncollectible amount to-date; and the outstanding receivable balance at the end of the fiscal year.

Effect: The County is not in compliance with State Auditor Rule 2.2.2 12D. The County may not have adequate supporting documentation for older property taxes receivable and payable to agencies.

Cause: The County software has not been set up in a manner that will produce the required report.

Auditors' Recommendation: The County should accumulate the required information to be in compliance with the State Auditor Rule, and obtain adequate supporting documentation for older property taxes receivable and payable.

Agency's Response: The current outstanding tax listing that is run at the end of each month shows a listing by tax year of the outstanding taxes due and is broken down by residential, non-residential, livestock, non-rendition, administrative fee and Middle Rio Grande Conservancy. As of June, 2003 the IT department has produced a report that shows the outstanding taxes broken down by year and entity. It lists the taxes outstanding by entity and for each tax year starting with 2001 to the current tax year. Any data before 2001 is not available because this report was not available before that. The Treasurer's Office was given a copy of what the Ten Year Property Tax Schedule should look like from James Hartogenesis, Senior Audit Manager of Hinkle & Landers, P.C. This report has taken a lot of work to gather all the required information to complete for the ten years required. The Property Taxes Levied and Collections are complete for the 10 years required, but information for the Distribution, Current Amount Uncollected and Additions & Deletions are still being gathered. Therefore the Report is still lacking information to have a complete Ten Year Property Tax Schedule.

FS 2007-14 — Recording/Reconciliation of Cash

Condition: During our test of bank reconciliations, we discovered that the County's only bank reconciliation was incorrectly prepared. There were two checks totaling \$43,570 that were incorrectly recorded on the list of outstanding items, and on the deposits in transit. In addition, there was an incorrect amount carried forward on the bank reconciliation as an outstanding item in the amount of \$25,411.

Criteria: Section 4-43-2 of NMSA 1978 requires that the county treasurer keep:

- Account of all money received and disbursed;
- Regular accounts of all checks and warrants drawn on the treasury and paid; and
- The books, papers and money pertaining to his/her office ready for inspection by the board of County Commissioners at all times.

Effect: The effect of this inaccurate reconciliation is that there were incorrect balances in the account amounts in two separate funds. They were misstated by \$18,159.

Cause: The Treasurer's Office and the County Manager's Office balances were not reconciled to each other.

Auditors' Recommendation: We recommend that the County Manager's office and Treasurer's office work together to ensure that they have the same reconciled balances for all bank accounts. We also recommend that the Treasurer's office maintain a separate reconciliation of each bank account and each fund in order to keep track of outstanding items that affect the reconciled balance.

Agency's Response: These transfers are done to cover the monthly expenses for the Judicial Complex and the Adult Detention Commissary accounts. The checks in question were written in July by the Finance Department to reimburse the General Fund for expenditures from the Judicial Complex and the Adult Detention Commissary accounts. Since the checks were written to reimburse the General Fund for June expenditures, the Treasurer's Office recorded the checks in June. However, the Finance Department recorded the checks in July since they actually wrote the reimbursement checks in July. As noted in the finding, the net effect of the error was zero. The Treasurer's Office staff understands how the error occurred and will, in the future, record all checks received based on the date of receipt/deposit.

FS 2007-16 Capital Assets

Condition: The capital asset inventory system was not being reconciled. Ending capital assets balance at prior year end did not agree with current year beginning balance. Also, the inventory system is not being reconciled with the capital outlay expenditures as recorded in the budget reports as additions/deletions were occurring. All movable capital assets are not being accounted for with an inventory tagging system. No formal policy exists for capital asset disposal.

Criteria: Section 2.20.1 of NMAC requires agencies to properly account for capital assets. The required capital asset accounting system is described in Section 2.20.1.8 of NMAC. Proper controls over the capital assets are described in Section 2.20.1.15 of NMAC. The statutory annual inventory requirement is described in Section 2.20.1.16 of NMAC. The requirement to follow the applicable statutes when disposing of capital assets is described in Section 2.20.1.18 of NMAC.

Section 12-6-10 NMSA1978 requires that the agency's capital asset inventory list any item costing more than \$5,000, effective June 17, 2005. Per guidance from the State Auditor dated September 8, 2006, the older capital asset items that did not meet the new capitalization threshold were supposed to remain on the list until they are disposed of in accordance with applicable statutes.

Effect: Without proper accounting for capital asset additions and deletions, the financial statements of the County may be misstated.

Auditors' Recommendation: We recommend that the County adopt the statutory \$5,000 capitalization limit and all assets purchased since June 17, 2005 with a cost exceeding \$5,000 be tagged and inventoried. We also recommend that the County follow the regulations and statutes described above under "Criteria."

Cause: The County does not have personnel trained and knowledgeable in the maintenance and record keeping of capital assets for the County.

Auditors' Recommendation: We recommend the County hire or train an individual possessing knowledge and experience in governmental accounting especially in the area of capital assets maintenance. In addition, we recommend the County reconcile additions and deletions of capital assets to the general ledger and take a physical inventory yearly to develop an accurate asset listing that can be opined upon.

Agency's Response: During the subsequent Fiscal Year, formal policies will be written where needed and procedures will be developed and documented that address, at a minimum, the following:

- Establishment of a capitalization limit of \$5,000 that coincides with the State of New Mexico.
- Require an annual physical inventory of assets that exceed \$5,000 and verify that all equipment is properly tagged
- Procedure to be followed for disposal of all capitalized assets
- Verify that the current year beginning asset balance matches the prior year ending asset balance
- On a quarterly basis, run a check list that includes all checks that are equal to or exceed \$5,000 and match with a detail report for all Capital Accounts, all Legislative Appropriations funds, and any other Capital Projects fund.
- Add all Capital acquisitions to the Inventory and all Long Term or Capital Projects to Construction in Progress until complete. When construction projects are completed and final payment is made, they will be removed from Construction in Progress and entered into inventory as Buildings or Infrastructure so depreciation can begin.
- Get a list of additions and deletions to the Road Inventory from Public Works in order to include any donated infrastructure and make any deletions that may have occurred

Train Finance staff in accounting principals and practices involved in acquisition, deletion, and depreciation of Capital Assets.

FS 2007-17 Property Tax Roll

Condition: The “Tax Maintenance Report” in the Treasurer’s report is not correct, therefore, uncollected property taxes are not accurately reported.

Criteria: Per section 4-43-2, NMSA 1978 The County Treasurer shall keep account of all money received and disbursed. The “Tax Schedule Maintenance Report” is used to account for property taxes assessed, modified, and collected over the last 10 property tax years. This report serves taxing authorities to estimate future monies owed from taxes assessed but uncollected.

Effect: Additions and Deletions shown in the “Tax Maintenance Report” are incorrect and do not represent uncollected property taxes the County has assessed and not collected.

Cause: Addition and deletion amounts used in the report are taken solely from monthly reports generated by the County’s computer system, and do not reflect the true totals for additions and deletions.

Auditors’ Recommendation: We recommend that an appropriate reconciliation procedure take place to ensure the amounts shown in the report are correct. We also recommend that software updates be made so the County’s computer system will properly account for all additions, deletions, and any other adjustments to property taxes.

Agency’s Response: Treasurer’s Office is going to track some Additions and Deletions transactions through the Triadic system to determine where the differences occur and develop a reconciliation procedure to eliminate any discrepancies. Once the cause of the error is determined then they can reconcile prior year’s amounts to correctly reflect uncollected property taxes.

FS 2007-18 — Information Technology Controls

Condition: During our planning and risk assessment of IT general and specific controls we noted the following:

- Contingency plans have not been developed for alternative processing in the event of loss or interruption of the IT function.

Criteria: Paragraph 4 of the State of New Mexico Statewide Policy S-STD-010-001 Backups Standard states that procedures shall be established and documented for performing backups, transporting media, and testing backup media, and recovering in the event of an interruption in the IT function.

Effect: An unexpected occurrence could compromise the IT function and the County may be unable to recover properly from the compromise. Unauthorized access to information, systems, applications, and networks could compromise IT operations and thereby the ability of the County to function properly. Theft/loss of IT equipment may potentially result in the unintentional disclosure of confidential information.

Cause: The county has not had the personnel resources to prepare the IT contingency plan.

Auditors' Recommendations: The County should provide written instructions for reconstructing their IT systems from the stored materials. A plan is needed to address how the County would process required functions manually or with alternate automated systems in the event of a compromising event.

Agency's Response: The County does not have in place at this time a Disaster Recovery plan to deal with a major incident which would allow us to setup a secondary location should an extraordinary event of substantial proportions occur in a timely manner. There is currently no co-location of data or hardware in place which would allow us to setup for business in a secondary offsite location. Such a plan would be truly extraordinary in scope and would cost the county well over \$80,000 in reoccurring annual expenses for a second AS400 as well as another \$70,000 in additional hardware servers and workstations and software alone. Additional communication expenses would also be incurred to establish T1 connections for the replication of data.

FS 2008-01 Deficiencies in Internal Control Structure Design, Operation, and Oversight

Condition: The County does not have a comprehensive documented internal control structure. Due to this lack of documentation, management and staff are unsure about what internal control procedures and processes to follow, which internal controls are the most important for safeguarding the County's assets, and which internal controls could ensure that the County's accounting information is not misstated.

The SAS 112 Appendix lists the following circumstance as a possible control deficiency, significant deficiency, or material weakness, "inadequate documentation of the components of internal control." SAS 112 paragraph 19 states that ineffective oversight of the agency's financial reporting and internal control by those charged with governance should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

Criteria: *The Codification of Statements on Auditing Standards* (SAS AU) paragraph 110.03 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

Effect: County Management and employees will not be able to prevent or detect misstatements on a timely basis while performing their normal course of assigned functions as long as the County does not have effectively designed and implemented internal controls.

Cause: The County was unaware of the need to have a documented internal control system.

Auditors' Recommendation: The County should ensure that a comprehensive internal control structure is designed, documented, and implemented. The body charged with governance should provide effective oversight of the internal control and financial reporting process.

Agency's Response: County Management and Staff will design, document, and maintain a written procedural guideline defining the appropriate tasks and the personnel responsible for completion of those tasks. Those tasks include, but are not limited to, such duties as reconciling Budgeted and Actual Revenues and Expenditures between Treasurer's Office and Finance, adding and deleting reconciling and depreciating Capital Assets, producing accurate and timely financial reports, and presenting the results of operations and financial status to the County Commission on a regular basis for their information and consideration.

FS 2008-02 — Stale Dated Checks

Condition: The County has 50 stale dated checks on its bank reconciliations totaling \$10,151 that have been outstanding for more than a year. The County has not reported the payees or turned over the funds to the Unclaimed Property Division of the New Mexico Taxation and Revenue Department.

Criteria: Section 7-8A, NMSA 1978, and related regulations require that the County provide information about the payees and the related funds to Unclaimed Property Division of the New Mexico Taxation and Revenue Department for outstanding checks that were distributed but not cashed within one year.

Effect: Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

Cause: The County was unaware of the requirement to remit the stale dated check funds to the New Mexico Taxation and Revenue Department.

Auditors' Recommendations: The County should implement policies and procedures to ensure that the Unclaimed Property Division of the New Mexico Taxation and Revenue Department is properly notified regarding stale dated checks.

Agency's Response: These checks were overlooked and should not have remained outstanding on the bank reconciliation for over one year. Checks remaining unpaid for one year are to be canceled. All checks outstanding over one year have been canceled and removed from the bank reconciliation report. The Treasurer's Office will review the outstanding check lists each month and cancel all stale dated checks.

FS 2009-01 COSO Framework Monitoring Deficiencies

Condition: During our testwork, it was noted that the internal controls were not being monitored throughout the year.

Criteria: The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework suggests that internal control systems need to be monitored – a process that assesses the quality of the system’s performance over time. This is accomplished through ongoing monitoring activities or separate evaluations. Internal control deficiencies detected through these monitoring activities should be reported upstream and corrective actions should be taken to ensure continuous improvement of the system.

Effect: The County cannot ascertain that all internal controls are being implemented, therefore causing increased risks of assets to be misappropriated or fraudulent activities to exist.

Cause: The County did not realize the importance of ongoing monitoring as a critical element in effective internal controls.

Auditors’ Recommendation: We recommend that the County adopt and implement a policy requiring monitoring of its internal controls and make modifications as needed. Monitoring is accomplished through ongoing management activities, separate evaluations, or both.

Agency’s Response: The County recognizes the need to develop and implement a policy requiring monitoring of its internal controls. While some monitoring may be accomplished with current available resources, full implementation will require additional resources. As soon as the necessary resources become available to the County, the County will design, document and implement a comprehensive internal control system and put the appropriate policy requiring monitoring of that system in place along with monitoring activities by management activities and separate evaluations.

FS 2009-02 Employees paid accrued leave in excess of the maximum hours of payout

Condition: During our testwork, it was noted that the County is allowing employees to accrue leave in excess of the maximum allowed per the County’s personnel policy. We noted fifteen employees that have a leave balance in excess of 240 hours. The dollar amount of the excess that could potentially be paid out is \$7,159.32.

Criteria: Per County Personnel policy Section 10.5 Separation from Pay, employees shall be paid for all accrued annual leave upon separation from County service, not to exceed a maximum of two hundred forty (240) hours.

Effect: With insufficient internal controls in place, leave accrual amounts are more susceptible to error and could result in misstatements to leave accrual amounts reported on the County’s financial statements.

Cause: The County personnel was unaware of Section 10.5 Separation from Pay located in personnel policy .

Auditors’ Recommendation: We recommend that the County closely monitor’s employee’s leave balances and when the employee has reached their maximum amount the employee should be notified. In addition, we recommend all employees of the County review the personnel policies to eliminate any confusion located in the personnel policy set forth by the County.

Agency’s Response: Human Resource Director and payroll clerk will review our County Personnel Policy and adhere to all sections and including Section 10.5 which states the SEPARATION FROM SERVICE PAY: Employees shall be paid for all accrued annual leave upon separation from County service, not to exceed a maximum of two hundred forty (240) hours. Training will take place at the beginning of each Fiscal Year. The purpose to keep everyone apprised of changes made to policy regarding any employee pay.

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FS 2009-03 — Cash Appropriations in Excess of Available Cash Balances

Condition: The County rebudgeted “cash balances” in excess of available cash balances in the following funds:

	Designated Cash	Beginning Year Cash & AR Available	Cash Appropriation in excess of available
Road Special Revenue Fund	\$ 2,336,986	\$ 951,847	\$ 1,385,139
Solid Waste GRT Special Revenue Fund (Fund 446)	131,000	38,016	92,984
Traffic Safety Special Revenue Fund (Fund 465)	36,691	(5,079)	41,770
Title III-B Special Revenue Fund (Fund 493)	16,641	11,597	5,044
Title C-1 Special Revenue Fund (Fund 495)	4,819	(1,694)	6,513
Title C-2 Special Revenue Fund (Fund 496)	84,068	(2,526)	86,594
Cash in Lieu Special Revenue Fund (Fund 497)	6,393	(4,716)	11,109
Legislative Appropriation FY 08/09 Capital Projects Fund (Fund 431)	109,980	-	109,980
Corrections GRT Capital Projects Fund (Fund 458)	485,337	205,126	280,211

Criteria: Per Section 6-6-11 NMSA, it is unlawful for any board of county commissioners, municipal governing body or any purpose whatsoever to become indebted or contract any debts of any kind or mature whatsoever during any current year which, at the end of such current year, is not and cannot then be paid out of the money actually collected and belonging to that current year.

Effect: The County has budgeted cash balances that do not exist. If the County expends all budgeted expenditures it could incur debt if the budgeted designated cash does not exist.

Cause: The County was unaware of resources available when budgeting and making adjustments.

Auditors' Recommendations: The budget should be reviewed to insure all funds have adequate budget authority and cash balances for budgeted expenditures. Greater attention should be given to the budget monitoring process end-of-the-year cash balance estimates for all funds.

Agency Response: The County will properly monitor budget deficits and ensure there are available resources available to absorb these deficits.

FS 2009-04- Annual Evaluations not present in personnel files

Condition: Out of the 5 employees tested one employee failed to have an employee evaluation form on file.

Criteria: Per Personnel Rules and Regulations Section VI. *Conditions of Employment*. 6.12 Employees other than probationary employees shall be evaluated at least annually, and may be evaluated upon a number of conditions.

Effect: Failing to provide every County employee with an annual evaluation is in violation of County Policy, *Conditions of Employment 6.12*. Without proper evaluations, the County lacks a rationale and consistent way to evaluate and increase employee's salaries and other possible benefits.

Cause: Discussion with Human Resource Department stated that the evaluation was sent to the supervisor who never forwarded the evaluation to the departments director to perform the evaluation.

Auditors' Recommendations: The County should make sure that performance evaluations are made regularly and consistently from year to year to comply with County Policy.

Agency's Response: Human Resource Director and the Business Manager will go through each Departments staff evaluations to ensure that all evaluations are up to date and complete in Personnel Files. A training session may be set with all Departments Supervisors on how to do staff evaluations.

2009-05- Lack of authorization on purchase requisition

Condition: We noted the following instances in which the County's key internal controls over its purchasing cycle were not working properly.

- Tests performed on five disbursements totaling \$2,964 revealed one instance totaling \$47.30 in which the purchase order did not obtain the proper written approval for purchase.

Criteria: County procedures require purchase orders to be fully completed and approved prior to the purchase of goods and services. Pursuant to Section 13-1-158, NMSA 1978, no payment can be issued for any purchase of services, construction or items of tangible personal property unless the using agency certifies that the services, construction or item of tangible personal property have been received and meet specifications or unless prepayment is permitted under Section 13-1-98, NMSA 1978, by exclusion of the purchase from the procurement code.

Effect: Failing to properly authorize all cash disbursements could lead to unauthorized purchases and subject the County to a higher risk of fraudulent misappropriation of the County's cash.

Cause: Approval for the purchase was done verbally for authorization of the purchase, which was deemed sufficient approval.

Auditors' Recommendations: We recommend that the County personnel always follow the policy in place of written approval for all purchases. We also recommend that the County develop, document, adopt, and follow a policy regarding proper archiving of all financial documents.

Agency's Response: The Purchasing Department will adhere to getting all approvals on requisitions before a Purchase Order is issued. The Finance department will have workshops, training on Requisitions, Purchase Orders and the procurement process.

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STATUS OF PRIOR YEAR FINDINGS:

FS 2007-06 — Per Diem Overpaid - Resolved

FS 2007-10 — Preparation of Financial Statements – Repeated and Modified

FS 2007-12 — Property Tax Schedule – Repeated and Modified

FS 2007-13 — Incomplete Trial Balances - Resolved

FS 2007-14 — Recording/Reconciliation of Cash – Repeated and Modified

FS 2007-15 — Negative Cash Balances - Resolved

FS 2007-16 — Capital Assets – Repeated

FS 2007-17 — Property Tax Roll – Repeated and Modified

FS 2007-18 — Information Technology Controls – Repeated and Modified

FS 2008-01— Deficiencies in Internal Control Structure Design, Operation, and Oversight – Repeated

FS 2008-02— Stale Dated Checks – Repeated and Modified

FS 2008-03— Unauthorized Withdrawal of Cash – Resolved

FS 2008-04— Cash Deposit Under Collateralized – Resolved

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Other Disclosures
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OTHER DISCLOSURES

Exit Conference

An exit conference was conducted on November 16, 2009, with the following individuals:

Valencia County

Eric Zamora, County Manager
Pedro G. Rael, Commissioner
Wilma Abril, Finance Director
Diana Martinez-Coplen, Deputy Treasurer
Lawrence Esquibel, IT Director
Kendra Kaneshiro, Bookkeeper
Larry Trussel, Budget Analyst
Kenneth Greigo, Business Manager

Accounting & Consulting Group, LLP

Ray Roberts, CPA, Partner

Auditor Prepared Financial Statements

Although it would be preferred and desirable for the County to prepare its own GAAP-basis financial statements, it is felt that the County's personnel do not have the sufficient training or the time to prepare them. Therefore, the outside auditor, Accounting & Consulting Group, LLP, prepared the GAAP-basis financial statements and footnotes for inclusion in the annual audit report. These financial statements are the responsibility of management.