

STATE OF NEW MEXICO
VALENCIA COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

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INTRODUCTORY SECTION

STATE OF NEW MEXICO

Valencia County

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STATE OF NEW MEXICO

Valencia County

Official Roster

June 30, 2010

<u>Name</u>	<u>Board of County Commissioners</u>	<u>Title</u>
Donald Holliday		Chairman
Georgia Otero-Kirkham		Vice- Chairman
David R. Medina		Member
Ron Gentry		Member
Pedro G. Rael		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
Certified Public Accountants

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, 2010, 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 County Debt Service Debt Service 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, 2010 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2010 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, each major fund and the aggregate remaining fund information of the County, as of June 30, 2010 and the respective changes in financial position thereof, 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, 2010, and the respective changes in financial position thereof, and the budgetary comparisons for the County Debt Service 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 12, 2010 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 accounting principles generally accepted in the United States 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 12, 2010

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO

Valencia County
Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 8,386,469
Investments	2,143,194
Receivables:	
Property taxes receivable, net	2,066,976
Due from other governments	2,219,044
Prepaid expenses	650,851
Inventory	<u>24,910</u>
Total current assets	<u>15,491,444</u>
Noncurrent assets	
Restricted cash and cash equivalents	1,667,889
Capital assets	71,078,846
Less: accumulated depreciation	<u>(28,006,639)</u>
Total noncurrent assets	<u>44,740,096</u>
Total assets	<u><u>\$ 60,231,540</u></u>

The accompanying notes are an integral part of these financial statements

	Governmental Activities
Liabilities	
Current Liabilities	
Accounts payable	\$ 348,489
Accrued payroll expenses	554,468
Deferred revenue	22,288
Landfill closure fine	900,000
Accrued interest	118,654
Current portion of accrued compensated absences	281,195
Current portion of capital leases payable	298,795
Current portion of bonds and notes payable	704,493
	<hr/>
Total current liabilities	3,228,382
	<hr/>
Noncurrent liabilities	
Noncurrent portion of accrued compensated absences	156,497
Landfill liability	205,470
Capital leases payable	155,923
Bonds and notes payable	7,456,108
	<hr/>
Total noncurrent liabilities	7,973,998
	<hr/>
Total liabilities	11,202,380
	<hr/>
Net Assets	
Invested in capital assets, net of related debt	34,456,888
Restricted for	
Debt service	1,964,284
Capital projects	1,619,440
Other purposes-special revenue	6,799,295
Unrestricted	4,189,253
	<hr/>
Total net assets	49,029,160
	<hr/>
Total liabilities and net assets	<u>\$ 60,231,540</u>

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STATE OF NEW MEXICO
Valencia County
Statement of Activities
For the Year Ended June 30, 2010

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	\$ 5,631,967	\$ 1,198,112	\$ 1,749,756	\$ 717,864	\$ (1,966,235)
Public safety	12,131,655	-	814,429	-	(11,317,226)
Public works	2,624,320	15,560	331,870	-	(2,276,890)
Culture and recreation	926,751	-	557,755	-	(368,996)
Health and welfare	1,280,863	-	94,172	-	(1,186,691)
Interest on long-term debt	307,183	-	-	-	(307,183)
<i>Total governmental activities</i>	<u>\$ 22,902,739</u>	<u>\$ 1,213,672</u>	<u>\$ 3,547,982</u>	<u>\$ 717,864</u>	(17,423,221)
General Revenues:					
Taxes					
Property taxes, levied for general purposes					10,155,612
Property taxes, levied for debt service					943,953
Gross receipts taxes					7,694,712
Gasoline, motor vehicle and cigarette taxes					742,349
Investment income					41,045
Miscellaneous income					84,736
Special item - gain on return of capital lease					44,998
Total general revenues and special items					<u>19,707,405</u>
Change in net assets					2,284,184
Net assets, beginning					<u>46,744,976</u>
Net assets, ending					<u>\$ 49,029,160</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICOValencia County
Balance Sheet
Governmental Funds
June 30, 2010

	<u>General Fund</u>	<u>Road</u>	<u>Adult Detention Center</u>
Assets			
Cash and cash equivalents	\$ 2,668,790	\$ 436,428	\$ 608
Investments	1,541,086	-	-
Property taxes receivable, net	1,860,747	-	-
Due from other governments	305,272	35,730	94,357
Prepaid expenses	384,686	23,825	183,050
Inventory	-	24,910	-
Due from other funds	753,414	-	-
	<hr/>	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 7,513,995</u>	<u>\$ 520,893</u>	<u>\$ 278,015</u>
Liabilities and fund balances			
<i>Liabilities</i>			
Accounts payable	\$ 28,220	\$ 26,596	\$ 77,706
Accrued payroll expenses	332,785	53,724	98,787
Deferred revenue	1,629,435	-	-
Due to other funds	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total liabilities</i>	<u>1,990,440</u>	<u>80,320</u>	<u>176,493</u>
<i>Fund balances</i>			
Reserved for:			
Debt service	-	-	-
Prepaid expenses	384,686	23,825	183,050
Inventory	-	24,910	-
Unreserved	5,138,869	-	-
Unreserved, reported in:			
Special revenue funds	-	391,838	(81,528)
Capital projects funds	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total fund balances</i>	<u>5,523,555</u>	<u>440,573</u>	<u>101,522</u>
<i>Total liabilities and fund balances</i>	<u>\$ 7,513,995</u>	<u>\$ 520,893</u>	<u>\$ 278,015</u>

The accompanying notes are an integral part of these financial statements

<u>County Indigent Claims</u>	<u>County Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ 1,322,375	\$ 1,566,590	\$ 4,059,567	\$ 10,054,358
602,108	-	-	2,143,194
-	155,890	50,339	2,066,976
222,265	-	1,561,420	2,219,044
3,000	-	56,290	650,851
-	-	-	24,910
-	-	-	753,414
<u>\$ 2,149,748</u>	<u>\$ 1,722,480</u>	<u>\$ 5,727,616</u>	<u>\$ 17,912,747</u>
\$ 84,185	\$ -	\$ 131,782	\$ 348,489
1,639	-	67,533	554,468
-	138,082	66,783	1,834,300
-	-	753,414	753,414
<u>85,824</u>	<u>138,082</u>	<u>1,019,512</u>	<u>3,490,671</u>
-	1,584,398	427,067	2,011,465
3,000	-	56,290	650,851
-	-	-	24,910
-	-	-	5,138,869
2,060,924	-	2,573,562	4,944,796
-	-	1,651,185	1,651,185
<u>2,063,924</u>	<u>1,584,398</u>	<u>4,708,104</u>	<u>14,422,076</u>
<u>\$ 2,149,748</u>	<u>\$ 1,722,480</u>	<u>\$ 5,727,616</u>	<u>\$ 17,912,747</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, 2010

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	\$	14,422,076
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		43,072,207
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		1,812,012
Accrued interest is not due and payable with current financial resources and, therefore, is not reported in the funds		(118,654)
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		(8,160,601)
Capital leases		(454,718)
Landfill liability		(205,470)
Landfill closure fine		(900,000)
Compensated absences		(437,692)
		(13,168,481)
Net assets - governmental activities	\$	49,029,160

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, 2010

	<u>General Fund</u>	<u>Road</u>	<u>Adult Detention Center</u>
<i>Revenues</i>			
Taxes:			
Property	\$ 9,745,449	\$ -	\$ -
Gross receipts	1,040,905	-	-
Gasoline, motor vehicle and cigarette taxes	327,981	414,368	-
Intergovernmental:			
Federal operating grants	-	40,184	-
State operating grants	1,630,508	302,344	616,866
State capital grants	-	-	-
Charges for services	81,297	1,840	-
Licenses and fees	861,980	13,720	-
Investment income	33,513	-	-
Miscellaneous	7,543	17,004	1,658
<i>Total revenues</i>	<u>13,729,176</u>	<u>789,460</u>	<u>618,524</u>
<i>Expenditures</i>			
Current			
General government	3,906,792	-	-
Public safety	3,957,996	-	3,223,809
Public works	-	2,270,738	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	32,423	172,837	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>7,897,211</u>	<u>2,443,575</u>	<u>3,223,809</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,831,965</u>	<u>(1,654,115)</u>	<u>(2,605,285)</u>
<i>Other financing sources (uses)</i>			
Transfers in	1,282,109	1,658,039	2,613,355
Transfers out	(6,811,559)	(110,400)	-
<i>Total other financing sources (uses)</i>	<u>(5,529,450)</u>	<u>1,547,639</u>	<u>2,613,355</u>
<i>Net change in fund balances</i>	302,515	(106,476)	8,070
<i>Fund balance - beginning of year</i>	<u>5,221,040</u>	<u>547,049</u>	<u>93,452</u>
<i>Fund balance - end of year</i>	<u>\$ 5,523,555</u>	<u>\$ 440,573</u>	<u>\$ 101,522</u>

The accompanying notes are an integral part of these financial statements

County Indigent Claims	County Debt Service	Other Governmental Funds	Total
\$ -	\$ 941,303	\$ 336,630	\$ 11,023,382
1,491,328	-	5,162,479	7,694,712
-	-	-	742,349
-	-	453,347	493,531
13,502	-	491,231	3,054,451
-	-	717,864	717,864
-	-	-	83,137
-	-	254,835	1,130,535
7,282	-	250	41,045
-	-	58,531	84,736
1,512,112	941,303	7,475,167	25,065,742
-	-	1,955,568	5,862,360
-	-	3,774,436	10,956,241
-	-	136,474	2,407,212
-	-	812,592	812,592
1,206,697	-	73,998	1,280,695
-	-	1,374,675	1,579,935
-	-	731,650	731,650
-	-	311,691	311,691
1,206,697	-	9,171,084	23,942,376
305,415	941,303	(1,695,917)	1,123,366
-	-	2,229,991	7,783,494
-	(852,449)	(9,086)	(7,783,494)
-	(852,449)	2,220,905	-
305,415	88,854	524,988	1,123,366
1,758,509	1,495,544	4,183,116	13,298,710
\$ 2,063,924	\$ 1,584,398	\$ 4,708,104	\$ 14,422,076

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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
For the Year Ended June 30, 2010

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	\$ 1,123,366
<p>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:</p>	
Capital assets reported as capital outlay expenditures	1,579,935
Depreciation expense	(2,269,376)
<p>In the Statement of Activities, gain on return of capital lease resulted from capital lease having a book value less than related debt, resulting in a gain upon return. Gain on return of capital lease was recorded in the Statement of Activities and not reported as gain in the fund financial statements.</p>	
	44,998
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:</p>	
Change in deferred revenue related to property taxes receivable	76,182
<p>Expenses in the Statement of Activities that do not require current financial resources are not reported as expenditures in the funds:</p>	
Decrease in accrued compensated absences	32,347
Decrease in accrued interest	4,508
Decrease in landfill liability	960,574
<p>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:</p>	
Principal payments on long-term debt	731,650
Change in net assets of governmental activities	\$ 2,284,184

The accompanying notes are an integral part of these financial statements

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ 8,505,273	\$ 8,505,273	\$ 9,754,876	\$ 1,249,603
Gross receipts	1,080,000	1,080,000	988,628	(91,372)
Gasoline and motor vehicle	247,000	247,000	331,183	84,183
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	1,543,500	1,543,500	1,630,508	87,008
State capital grants	-	-	-	-
Charges for services	710,500	710,500	824,249	113,749
Licenses and fees	82,600	82,600	142,213	59,613
Investment income	132,800	132,800	49,787	(83,013)
Miscellaneous	-	-	7,543	7,543
<i>Total revenues</i>	<u>12,301,673</u>	<u>12,301,673</u>	<u>13,728,987</u>	<u>1,427,314</u>
<i>Expenditures:</i>				
Current:				
General government	4,499,988	4,473,488	4,289,014	184,474
Public safety	4,409,570	4,300,820	3,955,127	345,693
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	8,950	7,050	4,210	2,840
Debt service:				
Principal	-	5,500	-	5,500
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,918,508</u>	<u>8,786,858</u>	<u>8,248,351</u>	<u>538,507</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,383,165</u>	<u>3,514,815</u>	<u>5,480,636</u>	<u>1,965,821</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,154,829	2,023,179	-	(2,023,179)
Transfers in	1,273,565	1,273,565	1,282,109	8,544
Transfers out	(6,811,559)	(6,811,559)	(6,811,559)	-
<i>Total other financing sources (uses)</i>	<u>(3,383,165)</u>	<u>(3,514,815)</u>	<u>(5,529,450)</u>	<u>(2,014,635)</u>
<i>Net change in fund balance</i>	-	-	(48,814)	(48,814)
<i>Fund balance - beginning of year</i>	-	-	5,012,104	5,012,104
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,963,290</u>	<u>\$ 4,963,290</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (48,814)
Adjustments for state grant and miscellaneous income accruals				189
Adjustments to expenditures for general government and public safety function accruals				351,140
Net change in fund balance (GAAP Basis)				<u>\$ 302,515</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-2

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	422,000	422,000	414,331	(7,669)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	52,041	52,041	40,184	(11,857)
State operating grants	369,198	616,853	302,344	(314,509)
State capital grants	-	-	-	-
Charges for services	28,000	51,301	13,720	(37,581)
Licenses and fees	-	-	1,840	1,840
Investment income	-	-	-	-
Miscellaneous	-	-	17,004	17,004
<i>Total revenues</i>	<u>871,239</u>	<u>1,142,195</u>	<u>789,423</u>	<u>(352,772)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,582,293	2,832,293	2,101,221	731,072
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	822,264	880,834	341,188	539,646
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,404,557</u>	<u>3,713,127</u>	<u>2,442,409</u>	<u>1,270,718</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,533,318)</u>	<u>(2,570,932)</u>	<u>(1,652,986)</u>	<u>917,946</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	985,679	1,023,293	-	(1,023,293)
Transfers in	1,658,039	1,658,039	1,658,039	-
Transfers out	(110,400)	(110,400)	(110,400)	-
<i>Total other financing sources (uses)</i>	<u>2,533,318</u>	<u>2,570,932</u>	<u>1,547,639</u>	<u>(1,023,293)</u>
<i>Net change in fund balance</i>	-	-	(105,347)	(105,347)
<i>Fund balance - beginning of year</i>	-	-	541,775	541,775
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 436,428</u>	<u>\$ 436,428</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (105,347)
Adjustments made for gasoline and motor vehicle accruals				37
Adjustments to expenditures for public works function accruals				(1,166)
Net change in fund balance (GAAP Basis)				<u>\$ (106,476)</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, 2010

	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	-	-	-	-
State operating grants	596,000	596,000	554,944	(41,056)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	1,658	1,658
<i>Total revenues</i>	<u>596,000</u>	<u>596,000</u>	<u>556,602</u>	<u>(39,398)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	3,044,613	3,176,913	3,169,957	6,956
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,044,613</u>	<u>3,176,913</u>	<u>3,169,957</u>	<u>6,956</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,448,613)</u>	<u>(2,580,913)</u>	<u>(2,613,355)</u>	<u>(32,442)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(164,742)	(32,442)	-	32,442
Transfers in	2,613,355	2,613,355	2,613,355	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,448,613</u>	<u>2,580,913</u>	<u>2,613,355</u>	<u>32,442</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	608	608
<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)				\$ -
Adjustments made for state operating grant accruals				61,922
Adjustments to expenditures for public safety function accruals				(53,852)
Net change in fund balance (GAAP Basis)				<u>\$ 8,070</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2010

Exhibit C-4

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,782,447	1,782,447	1,439,051	(343,396)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	13,502	13,502
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	13,792	13,792
Miscellaneous	-	-	-	-
<i>Total revenues</i>	1,782,447	1,782,447	1,466,345	(316,102)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,671,241	1,671,241	1,243,583	427,658
Capital outlay	4,000	4,000	-	4,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	1,675,241	1,675,241	1,243,583	431,658
<i>Excess (deficiency) of revenues over expenditures</i>	107,206	107,206	222,762	115,556
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(107,206)	(107,206)	-	107,206
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	(107,206)	(107,206)	-	107,206
<i>Designated cash (budgeted increase in cash)</i>	-	-	222,762	222,762
<i>Fund balance - beginning of year</i>	-	-	1,701,721	1,701,721
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 1,924,483	\$ 1,924,483
Net change in fund balance (non-GAAP budgetary basis)				\$ 222,762
Adjustments made for gross receipts taxes and miscellaneous income accruals				45,767
Adjustments to expenditures for public safety function accruals				36,886
Net change in fund balance (GAAP Basis)				\$ 305,415

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, 2010

Exhibit D-1

Assets

Cash	\$ 9,482,122
Property taxes receivable	<u>4,593,504</u>
<i>Total assets</i>	<u><u>\$ 14,075,626</u></u>

Liabilities

Deposits held in trust for inmates	\$ 309,960
Deposits held in trust for hospital levy	8,276,749
Deposits held in trust for other taxing entities	895,413
Due to other taxing entities	<u>4,593,504</u>
<i>Total liabilities</i>	<u><u>\$ 14,075,626</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies

Valencia County (the County) is a political subdivision 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, 2010

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) 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 resources 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, 2010

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 60 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 County Resolution No. 2005-66.

The *County Indigent Claims Special Revenue Fund* was 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.

The *County Debt Service 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.

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.,

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

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

(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.

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 Local Government Investment Pool (LGIP).

Investments for the County are reported at fair value. The LGIP 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.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Inventory: Valencia County values inventory at lower of cost or market value. The method that the County uses is the consumption approach. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed.

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. Debt service cash is restricted for future debt payments.

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 Statement No. 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 the life of the asset 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, 2010, along with applicable PERA and Retiree Health Care contributions.

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 not 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 offset by a corresponding liability for deferred revenue.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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 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 Statement No. 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. There were no bond premiums or discounts at June 30, 2010. 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. **Invested in Capital Assets, Net of Related Debt:**
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 their 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."

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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	\$ 3,383,165	\$ 3,514,815
Road	\$ (2,533,318)	\$ (2,570,932)
Adult Detention Center	\$ (2,448,613)	\$ (2,580,913)
County Indigent Claims	\$ 107,206	\$ 107,206
County Debt Service	\$ -	\$ -
Nonmajor Funds	\$ (2,920,239)	\$ (3,552,080)

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 accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis,

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 2. Stewardship, Compliance and Accountability (Continued)

Budgetary Information (Continued)

perspective, equity and timing differences in the net change in fund balances is presented for the year ended June 30, 2010. 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.

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, the 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, 2010.

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 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, 2010. As of June 30, 2010, the County 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, 2010, \$21,366,376 of the County's deposits of \$22,288,649 were exposed to custodial credit risk, \$16,192,473 was uninsured and collateralized by collateral held by the pledging bank's department or agent, not in the County's name, and \$5,173,903 was uninsured and uncollateralized.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 3. Deposits and Investments (continued)

	Bank of the West	Wells Fargo	First Community Bank
Amount of deposits	\$ 15,015,317	\$ 169,518	\$ 2,755
FDIC Coverage	(250,000)	(169,518)	(2,755)
Total uninsured public funds	<u>14,765,317</u>	<u>-</u>	<u>-</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>10,852,184</u>	<u>-</u>	<u>-</u>
Uninsured and uncollateralized	<u>\$ 3,913,133</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50% of uninsured funds)	\$ 7,382,659	\$ -	\$ -
Pledged Collateral	<u>10,852,184</u>	<u>-</u>	<u>-</u>
Over (Under) collateralized	<u>\$ 3,469,525</u>	<u>\$ -</u>	<u>\$ -</u>

	NM Bank & Trust	My Bank	Total
Amount of deposits	\$ 4,983,408	\$ 2,117,651	\$ 22,288,649
FDIC Coverage	(250,000)	(250,000)	(922,273)
Total uninsured public funds	<u>4,733,408</u>	<u>1,867,651</u>	<u>21,366,376</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>3,472,638</u>	<u>1,867,651</u>	<u>16,192,473</u>
Uninsured and uncollateralized	<u>\$ 1,260,770</u>	<u>\$ -</u>	<u>\$ 5,173,903</u>
Collateral requirement (50% of uninsured funds)	\$ 2,366,704	\$ 933,826	\$ 10,683,188
Pledged Collateral	<u>3,472,638</u>	<u>2,150,000</u>	<u>16,474,822</u>
Over (Under) collateralized	<u>\$ 1,105,934</u>	<u>\$ 1,216,175</u>	<u>\$ 5,791,633</u>

Credit Risk

As of June 30, 2010, the County's investment in the State Treasurer Local Government Investment Pool was rated as AAAM by Standard & Poor's.

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 Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.1F, 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.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 3. Deposits and Investments (continued)

The County's investments at June 30, 2010 included the following:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>WAM</u>
New MexiGROW LGIP	AAAm rating	\$ 30,033	< 50 days
Reserve Contingencies Fund	Unrated	\$ 5,782	Does not earn interest
U.S. Treasury Money Market Mutual Fund	N/C	\$ 101,299	< 1 year

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 respect to its investment activities.

Concentration of Credit Risk – Investments. For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the County. The investments in the New MexiGROW LGIP and U.S. Treasury Money Market Mutual Funds represent 26% and 74%, respectively, of the investment portfolio. Since the County only purchases investments with the highest credit rating, the additional concentration is not viewed to be an additional risk by the County. The County's policy related to concentration credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

The County utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts. Separate accounts also exist for Sheriff's Office confiscation related funds.

Reconciliation to the Statement of Net Assets:

Cash and cash equivalents per Exhibit A-1	\$ 8,386,469
Investments per Exhibit A-1	2,143,194
Restricted cash and cash equivalents per Exhibit A-1	1,667,889
Agency funds cash per Exhibit D-1	<u>9,482,122</u>
Total	21,679,674
Add: outstanding checks	800,764
Less: deposits in transit	(54,675)
Less: LGIP Investments held with the State of New Mexico	(35,815)
Less: U.S. Treasury Money Market Mutual Funds	<u>(101,299)</u>
Bank balance of deposits	<u>\$ 22,288,649</u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 4. Receivables

Receivables as of June 30, 2010, are as follows:

	General	Road	Adult Detention Center	County Indigent Claims	County Debt Service	Total Nonmajor Funds	Total
Property taxes	\$ 2,624,929	\$ -	\$ -	\$ -	\$ 219,912	\$ 71,013	\$ 2,915,854
Other receivables:							
Intergovernmental:							
State	305,272	35,730	94,357	222,265	-	1,561,420	2,219,044
Allowance for doubtful accounts	(764,182)	-	-	-	(64,022)	(20,674)	(848,878)
Totals	<u>\$ 2,166,019</u>	<u>\$ 35,730</u>	<u>\$ 94,357</u>	<u>\$ 222,265</u>	<u>\$ 155,890</u>	<u>\$ 1,611,759</u>	<u>\$ 4,286,020</u>

The County has estimated approximately 29% or \$848,878 of property taxes receivable will not be collected. Other than this, all receivables are deemed to be 100% collectible.

In accordance with GASB Statement No. 33, revenues in the amount of \$1,834,300 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:		
Road	\$ 1,282,109	\$ 6,811,559
Juvenile Detention	1,658,039	-
Adult Detention Center	505,563	-
Solid Waste GRT	2,613,355	-
Title C-1	475,994	-
Title C-2	58,066	-
Title III-B	185,254	-
Title III-B	33,180	-
From Road to:		
Solid Waste GRT	-	110,400
Solid Waste GRT	110,400	-
From Fire Protection to:		
Fire Excise Tax	9,086	-
Fire Excise Tax	-	9,086
From County Debt Service to:		
Bonds/Judicial Renovation	-	852,449
Bonds/Judicial Renovation	852,448	-
	<u>\$ 7,783,494</u>	<u>\$ 7,783,494</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, 2010

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

The composition of interfund balances as of June 30, 2010 is as follows:

	Due From Other Funds	Due to Other Funds
Governmental Funds		
General Fund	\$ 753,414	\$ -
Farm and Range	-	569
Recreation	-	22
Legislative Appropriation FY 03/04	-	103,771
Legislative Appropriation FY 04/05	-	104,221
Tome Adelino	-	141,676
Legislative Appropriation FY 06/07	-	295,571
Legislative Appropriation FY 08/09	-	13,308
CDBG	-	52,975
Title C-2	-	10,946
Cash in Lieu	-	30,355
	<u>\$ 753,414</u>	<u>\$ 753,414</u>
Total Governmental Funds	<u>\$ 753,414</u>	<u>\$ 753,414</u>

All interfund receivables are expected to be repaid within one year.

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2010 follows. Land and construction in progress are not subject to depreciation.

Government Activities:	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets not being depreciated:				
Land	\$ 3,679,297	\$ -	\$ -	\$ 3,679,297
Construction in progress	11,203,274	745,192	-	11,948,466
Total capital assets not being depreciated	<u>14,882,571</u>	<u>745,192</u>	<u>-</u>	<u>15,627,763</u>
Capital assets being depreciated:				
Buildings and improvements	20,279,468	-	-	20,279,468
Equipment	19,612,211	621,800	312,000	19,922,011
Infrastructure	15,036,661	212,943	-	15,249,604
Total capital assets being depreciated	<u>54,928,340</u>	<u>834,743</u>	<u>312,000</u>	<u>55,451,083</u>
Less accumulated depreciation:				
Buildings and improvements	9,548,485	1,156,346	-	10,704,831
Equipment	9,491,843	936,138	156,000	10,271,981
Infrastructure	6,852,935	176,892	-	7,029,827
Total accumulated depreciation	<u>25,893,263</u>	<u>2,269,376</u>	<u>156,000</u>	<u>28,006,639</u>
Total capital assets, net of depreciation	<u>\$ 43,917,648</u>	<u>\$ (689,441)</u>	<u>\$ 156,000</u>	<u>\$ 43,072,207</u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 6. Capital Assets (continued)

Depreciation expense for the year ended June 30, 2010 was charged to the following functions:

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

NOTE 7. Long-term Debt

During the year ended June 30, 2010, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance June 30, 2010</u>	<u>Due Within One Year</u>
Governmental activities						
Bonds:						
GO Bonds - Series 2004 - Judicial Complex	\$ 8,260,000	\$ -	\$ 575,000	\$ -	\$ 7,685,000	\$ 600,000
Subtotal bonds	<u>8,260,000</u>	<u>-</u>	<u>575,000</u>	<u>-</u>	<u>7,685,000</u>	<u>600,000</u>
NMFA loans:						
Tome Adelino Fire Department	84,194	-	12,966	-	71,228	13,360
El Cerro Volunteer Fire Department	126,008	-	19,372	-	106,636	19,963
Los Chavez Fire Department	71,083	-	25,588	-	45,495	26,489
Meadow Lake Fire Department	156,280	-	31,735	-	124,545	32,233
Highland Meadow Pumper	137,025	-	9,328	-	127,697	12,448
Subtotal NMFA loans	<u>574,590</u>	<u>-</u>	<u>98,989</u>	<u>-</u>	<u>475,601</u>	<u>104,493</u>
Capital leases:						
John Deere Credit - 2 Graders	293,764	-	21,795	-	271,969	271,969
John Deere Credit - 2 Graders	211,327	-	10,331	200,996	-	-
Key Government Finance Inc.	48,118	-	12,637	-	35,481	13,234
John Deere Motor Grader	160,166	-	12,898	-	147,268	13,592
Subtotal Capital leases	<u>713,375</u>	<u>-</u>	<u>57,661</u>	<u>200,996</u>	<u>454,718</u>	<u>298,795</u>
Accrued compensated absences	<u>470,039</u>	<u>248,848</u>	<u>281,195</u>	<u>-</u>	<u>437,692</u>	<u>281,195</u>
Total	<u><u>\$ 10,018,004</u></u>	<u><u>\$ 248,848</u></u>	<u><u>\$ 1,012,845</u></u>	<u><u>\$ 200,996</u></u>	<u><u>\$ 9,053,011</u></u>	<u><u>\$ 1,284,483</u></u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 7. Long-term Debt (continued)

Bonds Payable

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.

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	850,000	169,568	1,019,568
2016-2020	4,025,000	411,732	4,436,732
	<u>\$ 7,685,000</u>	<u>\$ 1,535,950</u>	<u>\$ 9,220,950</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 annual requirements to amortize the NMFA Revenue Notes as of June 30, 2010, including interest payments, are as follows:

Description	Date of Issue	Term	Interest Rate	Original amount of issue	Balance June 30, 2010
Tome Adelino Fire Department	September 30, 2004	September 30, 2015	1.26% - 3.67%	\$ 194,445	\$ 71,228
El Cerro Volunteer Fire Department	September 30, 2004	September 30, 2015	1.26% - 3.67%	130,000	106,636
Metal Building & Class "A" Fire Pumper LCFD	November 1, 2007	November 1, 2012	3.87%	119,700	45,495
Construction Phase II Addition MLFD	August 27, 2007	August 27, 2018	1.52%	333,334	124,545
Highland Meadows Pumper	September 17, 2008	September 17, 2019	3.47%	137,025	127,697
Total of NMFA loans					<u>\$ 475,601</u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

NOTE 7. Long-term Debt (continued)

The annual requirements to amortize the General Obligation Judicial Complex Bond as of June 30, 2010, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2011	\$ 104,493	\$ 13,726	\$ 118,219
2012	98,938	10,935	109,873
2013	81,998	8,260	90,258
2014	76,591	6,076	82,667
2015	52,058	3,900	55,958
2016-2020	61,523	5,700	67,223
	<u>\$ 475,601</u>	<u>\$ 48,597</u>	<u>\$ 524,198</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, 2010
John Deere Credit-2 Graders	November 1, 2005	December 1, 2010	4.75%	\$ 353,380	\$ 271,969
Key Government Finance, Inc.	January 17, 2008	January 17, 2013	4.83%	66,848	35,481
John Deere Credit-Motor Grader	December 4, 2007	January 1, 2013	5.25%	178,290	147,268
Total capital leases					<u>\$ 454,718</u>

During the year ended June 30, 2010, the County traded returned equipment under a capital lease agreement. Equipment returned carried a net book value less than related debt, which resulted in a gain on return of capital lease in the amount of \$44,998.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2011	\$ 298,795	\$ 15,176	\$ 313,971
2012	28,185	7,419	35,604
2013	127,738	3,673	131,411
	<u>\$ 454,718</u>	<u>\$ 26,268</u>	<u>\$ 480,986</u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

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, 2010, compensated absences decreased \$32,347 from 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, 2010, 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 \$205,470 as of June 30, 2010, which was a decrease of \$960,574 from the prior year's estimate. Total amount paid by the County for closure and postclosure costs during the year ended June 30, 2010 was \$345,000. These estimates change due to inflation or deflation, changes in technology, applicable laws or regulations. In addition, the County has hired an in-house professional whose responsibility is to handle postclosure which significantly reduced the liability from prior year.

The County has approved \$100,000 in its operating budget for the upcoming fiscal year ending June 30, 2011, 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 performed 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 of 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.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2010

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, 2010:

Farm and Range Special Revenue Fund (Fund 403)	\$ 569
Juvenile Detention Special Revenue Fund (Fund 408)	32,942
Law Enforcement Special Revenue Fund (Fund 424)	44,598
CDBG Special Revenue Fund (Fund 433)	52,975
Cash in Lieu Special Revenue Fund (Fund 497)	<u>18,601</u>
 Total	 <u><u>\$ 149,685</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. Excess of expenditures over appropriations. The following fund exceeded approved budgetary authority for the year ended June 30, 2010:

GRT- Regional Transit Special Revenue Fund (Fund 413)	\$ 90,471
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- 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, 2010:

	Designated Cash	Beginning Year Cash & AR Available	Cash Appropriation in excess of available
Road Special Revenue Fund (Fund 402)	\$ 1,023,293	\$ 577,468	\$ 445,825
EMS Special Revenue Fund (Fund 417)	24,111	22,955	1,156
Solid Waste GRT Special Revenue Fund (Fund 446)	150,549	44,584	105,965
Traffic Safety Special Revenue Fund (Fund 465)	23,301	21,469	1,832
Title III-B Special Revenue Fund (Fund 493)	42,855	18,628	24,227
Title C-2 Special Revenue Fund (Fund 496)	207,605	15,601	192,004
Legislative Appropriation FY 09/10 Capital Projects Fund (Fund 441)	192,000	-	192,000

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 benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, 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
Notes to Financial Statements
June 30, 2010

NOTE 11. PERA Pension Plan (Continued)

Funding Policy: Plan members are required to contribute the following percentages of their gross salary: 16.3% for law enforcement and fire protection employees; and 9.15% for county employees. The County was required to contribute the following percentages of the gross covered salary: 18.5% for law enforcement and fire protection plan members; and 9.15% for county plan members. The contribution requirements of plan members and Valencia County are established in State Statute 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 fiscal years ending June 30, 2010, 2009, and 2008 were \$1,381,517, \$988,517, and \$925,813, respectively, which equal the amount of the required contributions for each fiscal year. The amount contributed in 2010 included \$377,040 in settlement of claims as discussed in Note 17.

NOTE 12. Post-Employment Benefits- State Retiree Health Care Plan

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

(1)
For employees who are not members of an enhanced retirement plan the contribution rates will be:

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

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NOTE 12. Retiree Health Care Act Contributions (continued)

(2)

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

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

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

Valencia County's contributions to the RHCA for the years ended June 30, 2010, 2009, and 2008 were \$84,871, \$83,883, and \$79,833, respectively, which equal the required contributions for each year.

NOTE 13. Joint Powers Agreements

The County's Detention Center is a participant in a joint powers agreement with the Central New Mexico Correction Facility wherein 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, directs, 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 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 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.

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NOTE 14. Commitments

The County's commitments on construction projects at June 30, 2010 are as follows:

<u>Description</u>	<u>Amount</u>
Renovation of Del Rio Community Center	\$ 427,000

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.

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 to be immaterial.

NOTE 17. Claims and Judgments Liability

The County has been 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 for but there are disputes with those employees regarding issues related to their specific eligibility such as: 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, 2010 the County has paid the remaining claims, therefore the County has recorded the total liability of \$0 in its financial statements as required by GASB 10 ¶ 53 at June 30, 2010, which is a decrease of \$377,040 from the prior year.

NOTE 18. Net Assets

In the Statement of Net Assets \$10,383,019 of net assets is reported as restricted, of which \$8,408,463 is restricted by enabling legislation.

NOTE 19. Subsequent Events

The New Mexico State Treasurer's Office invested a portion of the Local Government Investment Pool (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.

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June 30, 2010

NOTE 19. Subsequent Events (Continued)

On July 15, 2010, the Reserve announced that it will begin its seventh distribution to Primary Fund shareholders on or about July 16, 2010. The distribution, in the amount of approximately \$215 million, represents approximately 67% of the Fund's remaining asset value of \$323 million as of the close of business on July 9, 2010. Including this seventh distribution, \$50.7 billion of Fund assets as of the close of business on September 15, 2008, will have been returned to investors. There is \$108 million still remaining with the Reserve at this time and the State Treasurer's Office has no information about timing nor amounts of potential future distributions. 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 date to which events occurring after June 30, 2010, the date of the most recent statement of net assets, have been evaluated for possible adjustment to the financial statements or disclosures is November 12, 2010, which is the date on which the financial statements were issued.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
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June 30, 2010

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.

413 – GRT- Regional Transit – This fund is used to account for grant monies used for Management, operations, capital, construction or maintenance of the transit district system. This fund was created under the authority of State Statute 7-20E-23. This fund constitutes part of the County Gross Receipts enacted by Ordinance 2008-05.

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 funds received from Wal-Mart for the operation of a Neighborhood Watch program.

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.

426 – EMS-GRT – This fund is used to account for grant monies used for 60% - operation of emergency communication center, 40% - operations of emergency medical services. This fund was created under the authority of State Statute 7-20E-22. This fund constitutes part of the County Gross Receipts enacted by Ordinance 2009-01.

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 established by County Commission resolution.

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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 – This fund is used for grant monies received to provide young adults who may be interested in a career in law enforcement with a comprehensive program of training, competition, service and practical experiences. Created by County Commission resolution.

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. Created by County Commission resolution.

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.

457 – Department of Justice Assistance Programs – The JAG Program, administered by the Bureau of Justice Assistance (BJA), is the leading source of federal justice funding to state and local jurisdictions. The JAG Program provides states, tribes, and local governments with critical funding necessary to support a range of program areas including law enforcement, prosecution and court, prevention and education, corrections and community corrections, drug treatment and enforcement, planning, evaluation, and technology improvement, and crime victim and witness initiatives. This fund was created by authority of Public Law 109-162, Title XI–Department of Justice Reauthorization, Subtitle B–Improving the Department of Justice's Grant Programs, Chapter 1–Assisting Law Enforcement and Criminal Justice Agencies, Sec. 1111 (Merger of the Byrne Formula Grant Program and Local Law Enforcement Block Grant Program).

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. This fund constitutes part of the County Gross receipts tax enacted by Ordinance 2001-01.

463 – Road GRT – This fund is used to account for grant monies used for capital outlay, leasing, and purchasing road equipment. The fund was created under the authority of State Statute 07-20E-9 thru 7-20E-11. This fund constitutes part of the County Gross receipts tax enacted 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. This fund constitutes part of the County Gross receipts tax enacted 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.

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SPECIAL REVENUE FUNDS (continued)

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.

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 commission 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 commission 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.

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CAPITAL PROJECTS FUNDS (continued)

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 FY 06/07 – This 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.

431 – Legislative Appropriation FY 07/08 – This fund was created under authority of the county commission to account for appropriations to Valencia County for year 2007/2008 to plan, design, and construct community centers, infrastructure, and fire departments for several communities.

432 – Legislative Appropriation FY 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.

441 – Legislative Appropriation FY 09/10 – This fund was created under authority of the county commission to account for appropriations to Valencia County for year 2009/2010 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 Finance Authority for the El Cerro/Valencia fire pumper.

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.

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Combining Balance Sheet
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	Special Revenue			
	Farm and Range	Recreation	Juvenile Detention	GRT- Regional Transit
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Property taxes receivable, net	-	-	-	-
Due from other governments	-	14,947	-	137,040
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
	-	-	-	-
<i>Total assets</i>	\$ -	\$ 14,947	\$ -	\$ 137,040
Liabilities and fund balances				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ 29,700	\$ -
Accrued payroll expenses	-	-	3,242	-
Deferred revenue	-	-	-	-
Due to other funds	569	22	-	-
	569	22	-	-
<i>Total liabilities</i>	569	22	32,942	-
<i>Fund balances</i>				
Reserved for:				
Debt service	-	-	-	-
Prepaid expenses	-	-	-	-
Unreserved, reported in:				
Special revenue funds	(569)	14,925	(32,942)	137,040
Capital projects funds	-	-	-	-
	(569)	14,925	(32,942)	137,040
<i>Total fund balances</i>	(569)	14,925	(32,942)	137,040
<i>Total liabilities and fund balances</i>	\$ -	\$ 14,947	\$ -	\$ 137,040

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
\$ 31,441	\$ 252,657	\$ 8,898	\$ 3,353	\$ 1,652	\$ 461,813
-	-	-	-	-	50,339
3,640	8,810	-	-	-	-
-	-	-	-	-	-
-	28,994	-	-	-	5,613
-	-	-	-	-	-
<u>\$ 35,081</u>	<u>\$ 290,461</u>	<u>\$ 8,898</u>	<u>\$ 3,353</u>	<u>\$ 1,652</u>	<u>\$ 517,765</u>
\$ 2,119	\$ 4,562	\$ 227	\$ -	\$ -	\$ 270
22,592	-	-	-	-	9,671
-	-	-	-	-	44,495
-	-	-	-	-	-
<u>24,711</u>	<u>4,562</u>	<u>227</u>	<u>-</u>	<u>-</u>	<u>54,436</u>
-	-	-	-	-	-
-	28,994	-	-	-	5,613
10,370	256,905	8,671	3,353	1,652	457,716
-	-	-	-	-	-
<u>10,370</u>	<u>285,899</u>	<u>8,671</u>	<u>3,353</u>	<u>1,652</u>	<u>463,329</u>
<u>\$ 35,081</u>	<u>\$ 290,461</u>	<u>\$ 8,898</u>	<u>\$ 3,353</u>	<u>\$ 1,652</u>	<u>\$ 517,765</u>

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Combining Balance Sheet
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	Special Revenue			
	Fire Excise Tax	Law Enforcement	EMS-GRT	Tome Adelino Community Center
Assets				
Cash and cash equivalents	\$ 513,544	\$ 16,192	\$ 116,239	\$ 67,223
Property taxes receivable, net	-	-	-	-
Due from other governments	236,006	-	109,633	-
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
	-	-	-	-
<i>Total assets</i>	\$ 749,550	\$ 16,192	\$ 225,872	\$ 67,223
Liabilities and fund balances				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ 622	\$ 60,790	\$ -	\$ -
Accrued payroll expenses	291	-	9,400	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
	-	-	-	-
<i>Total liabilities</i>	913	60,790	9,400	-
<i>Fund balances</i>				
Reserved for:				
Debt service	-	-	-	-
Prepaid expenses	-	-	-	-
Unreserved, reported in:				
Special revenue funds	748,637	(44,598)	216,472	67,223
Capital projects funds	-	-	-	-
	-	-	-	-
<i>Total fund balances</i>	748,637	(44,598)	216,472	67,223
<i>Total liabilities and fund balances</i>	\$ 749,550	\$ 16,192	\$ 225,872	\$ 67,223

The accompanying notes are an integral part of these financial statements

Special Revenue				
CDBG	Law Enforcement Explorer Program	G.R.E.A.T Grant	Solid Waste Performance	Solid Waste GRT
\$ -	\$ 960	\$ 10	\$ 12,500	\$ -
-	-	-	-	-
-	-	-	-	48,414
-	-	-	-	-
-	-	-	-	11,420
-	-	-	-	-
<u>\$ -</u>	<u>\$ 960</u>	<u>\$ 10</u>	<u>\$ 12,500</u>	<u>\$ 59,834</u>
\$ -	\$ -	\$ -	\$ -	\$ 7,827
-	-	-	-	7,142
-	-	-	-	-
52,975	-	-	-	-
<u>52,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,969</u>
-	-	-	-	-
-	-	-	-	11,420
(52,975)	960	10	12,500	33,445
-	-	-	-	-
<u>(52,975)</u>	<u>960</u>	<u>10</u>	<u>12,500</u>	<u>44,865</u>
<u>\$ -</u>	<u>\$ 960</u>	<u>\$ 10</u>	<u>\$ 12,500</u>	<u>\$ 59,834</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2010

	Special Revenue			
	Department of			
	Clerk's Equipment	Justice Assistance Programs	Special Revenue Bond	Sheriff's GRT
Assets				
Cash and cash equivalents	\$ 190,845	\$ 10,246	\$ 14,855	\$ 141,020
Property taxes receivable, net	-	-	-	-
Due from other governments	-	-	-	155,585
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 190,845</u>	<u>\$ 10,246</u>	<u>\$ 14,855</u>	<u>\$ 296,605</u>
Liabilities and fund balances				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ 38	\$ -	\$ -	\$ 18,211
Accrued payroll expenses	-	-	-	9,677
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>38</u>	<u>-</u>	<u>-</u>	<u>27,888</u>
<i>Fund balances</i>				
Reserved for:				
Debt service	-	-	-	-
Prepaid expenses	-	-	-	-
Unreserved, reported in:				
Special revenue funds	190,807	10,246	14,855	268,717
Capital projects funds	-	-	-	-
<i>Total fund balances</i>	<u>190,807</u>	<u>10,246</u>	<u>14,855</u>	<u>268,717</u>
<i>Total liabilities and fund balances</i>	<u>\$ 190,845</u>	<u>\$ 10,246</u>	<u>\$ 14,855</u>	<u>\$ 296,605</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Road GRT	Fire GRT	Traffic Safety	Homeland Security	Title III-B
\$ 118,527	\$ 19,437	\$ 20,430	\$ 3,500	\$ 15,117
-	-	-	-	-
33,340	33,340	4,445	-	4,712
-	-	-	-	-
-	-	-	-	5,750
-	-	-	-	-
<u>151,867</u>	<u>\$ 52,777</u>	<u>\$ 24,875</u>	<u>\$ 3,500</u>	<u>\$ 25,579</u>
-	\$ -	\$ -	\$ -	\$ -
-	-	5,518	-	-
-	-	-	-	-
-	-	-	-	-
-	-	5,518	-	-
-	-	-	-	-
-	-	-	-	5,750
151,867	52,777	19,357	3,500	19,829
-	-	-	-	-
<u>151,867</u>	<u>52,777</u>	<u>19,357</u>	<u>3,500</u>	<u>25,579</u>
<u>\$ 151,867</u>	<u>\$ 52,777</u>	<u>\$ 24,875</u>	<u>\$ 3,500</u>	<u>\$ 25,579</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2010

	Special Revenue			
	Title III-E	Title C-1	Title C-2	Cash in Lieu
Assets				
Cash and cash equivalents	\$ 25	\$ 8,270	\$ -	\$ -
Property taxes receivable, net	-	-	-	-
Due from other governments	-	7,747	16,413	11,754
Other receivables	-	-	-	-
Prepaid expenses	-	2,000	2,513	-
Due from other funds	-	-	-	-
	-	-	-	-
<i>Total assets</i>	\$ 25	\$ 18,017	\$ 18,926	\$ 11,754
Liabilities and fund balances				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ -	\$ 96	\$ -	\$ -
Accrued payroll expenses	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	10,946	30,355
	-	-	10,946	30,355
<i>Total liabilities</i>	-	96	10,946	30,355
<i>Fund balances</i>				
Reserved for:				
Debt service	-	-	-	-
Prepaid expenses	-	2,000	2,513	-
Unreserved, reported in:				
Special revenue funds	25	15,921	5,467	(18,601)
Capital projects funds	-	-	-	-
	-	-	-	-
<i>Total fund balances</i>	25	17,921	7,980	(18,601)
<i>Total liabilities and fund balances</i>	\$ 25	\$ 18,017	\$ 18,926	\$ 11,754

The accompanying notes are an integral part of these financial statements

Capital Projects

Bonds/Judicial Renovation	Legislative Appropriation FY 02/03	Legislative Appropriation FY 03/04	Legislative Appropriation FY 04/05	Tome Adelino
\$ 185,263	\$ 19,829	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	103,771	104,221	141,676
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 185,263</u>	<u>\$ 19,829</u>	<u>\$ 103,771</u>	<u>\$ 104,221</u>	<u>\$ 141,676</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	103,771	104,221	141,676
-	-	103,771	104,221	141,676
185,263	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	19,829	-	-	-
<u>185,263</u>	<u>19,829</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 185,263</u>	<u>\$ 19,829</u>	<u>\$ 103,771</u>	<u>\$ 104,221</u>	<u>\$ 141,676</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2010

	Capital Projects			
	Legislative Appropriation FY 06/07	Legislative Appropriation FY 07/08	Legislative Appropriation FY 08/09	Legislative Appropriation FY 09/10
Assets				
Cash and cash equivalents	\$ 477	\$ 7,012	\$ -	\$ -
Property taxes receivable, net	-	-	-	-
Due from other governments	295,094	15,388	20,516	-
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
	-	-	-	-
<i>Total assets</i>	\$ 295,571	\$ 22,400	\$ 20,516	\$ -
Liabilities and fund balances				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ -	\$ 112	\$ 7,208	\$ -
Accrued payroll expenses	-	-	-	-
Deferred revenue	-	22,288	-	-
Due to other funds	295,571	-	13,308	-
	295,571	-	13,308	-
<i>Total liabilities</i>	295,571	22,400	20,516	-
<i>Fund balances</i>				
Reserved for:				
Debt service	-	-	-	-
Prepaid expenses	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
	-	-	-	-
<i>Total fund balances</i>	-	-	-	-
<i>Total liabilities and fund balances</i>	\$ 295,571	\$ 22,400	\$ 20,516	\$ -

The accompanying notes are an integral part of these financial statements

Capital Projects		Debt Service			Total Nonmajor Governmental Funds
Corrections GRT	El Cerro Pump	Meadow Lake Fire Department	Highland Meadow Fire Department		
\$ 1,576,428	\$ 120,535	\$ 104,446	\$ 16,823	\$ 4,059,567	
-	-	-	-	50,339	
54,928	-	-	-	1,561,420	
-	-	-	-	-	
-	-	-	-	56,290	
-	-	-	-	-	
<u>\$ 1,631,356</u>	<u>\$ 120,535</u>	<u>\$ 104,446</u>	<u>\$ 16,823</u>	<u>\$ 5,727,616</u>	
\$ -	\$ -	\$ -	\$ -	\$ 131,782	
-	-	-	-	67,533	
-	-	-	-	66,783	
-	-	-	-	753,414	
-	-	-	-	1,019,512	
-	120,535	104,446	16,823	427,067	
-	-	-	-	56,290	
-	-	-	-	2,573,562	
1,631,356	-	-	-	1,651,185	
1,631,356	120,535	104,446	16,823	4,708,104	
<u>\$ 1,631,356</u>	<u>\$ 120,535</u>	<u>\$ 104,446</u>	<u>\$ 16,823</u>	<u>\$ 5,727,616</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, 2010

	Special Revenue			
	Farm and Range	Recreation	Juvenile Detention	GRT- Regional Transit
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	747,511
Intergovernmental:				
Federal operating grants	3,063	-	-	-
State operating grants	-	29,780	11,319	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,063</u>	<u>29,780</u>	<u>11,319</u>	<u>747,511</u>
<i>Expenditures:</i>				
General government	4,000	-	-	610,471
Public safety	-	-	513,086	-
Public works	-	-	-	-
Culture and recreation	-	21,772	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,000</u>	<u>21,772</u>	<u>513,086</u>	<u>610,471</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(937)</u>	<u>8,008</u>	<u>(501,767)</u>	<u>137,040</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	505,563	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>505,563</u>	<u>-</u>
<i>Net change in fund balance</i>	(937)	8,008	3,796	137,040
<i>Fund balance - beginning of year</i>	<u>368</u>	<u>6,917</u>	<u>(36,738)</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ (569)</u>	<u>\$ 14,925</u>	<u>\$ (32,942)</u>	<u>\$ 137,040</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 336,630
-	689,754	51,724	631	-	-
-	-	-	-	-	-
38,184	14,826	829	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	13,209	-	-	-	134
<u>38,184</u>	<u>717,789</u>	<u>52,553</u>	<u>631</u>	<u>-</u>	<u>336,764</u>
-	-	-	-	-	204,019
-	610,964	62,895	193	-	-
-	-	-	-	-	-
47,048	-	-	-	-	-
-	-	-	-	-	-
-	107,354	-	-	-	-
-	73,401	-	-	-	-
-	16,992	-	-	-	-
<u>47,048</u>	<u>808,711</u>	<u>62,895</u>	<u>193</u>	<u>-</u>	<u>204,019</u>
<u>(8,864)</u>	<u>(90,922)</u>	<u>(10,342)</u>	<u>438</u>	<u>-</u>	<u>132,745</u>
-	9,086	-	-	-	-
-	-	-	-	-	-
-	<u>9,086</u>	-	-	-	-
<u>(8,864)</u>	<u>(81,836)</u>	<u>(10,342)</u>	<u>438</u>	<u>-</u>	<u>132,745</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>
<u>\$ 10,370</u>	<u>\$ 285,899</u>	<u>\$ 8,671</u>	<u>\$ 3,353</u>	<u>\$ 1,652</u>	<u>\$ 463,329</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, 2010

	Special Revenue			
	Fire Excise Tax	Law Enforcement	EMS-GRT	Tome Adelino Community Center
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	487,471	-	1,343,177	15,541
Intergovernmental:				
Federal operating grants	95,899	-	-	-
State operating grants	19,981	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	79	-	-	19
Miscellaneous	-	39,471	-	-
<i>Total revenues</i>	<u>603,430</u>	<u>39,471</u>	<u>1,343,177</u>	<u>15,560</u>
<i>Expenditures:</i>				
General government	-	-	-	-
Public safety	279,243	13,067	1,126,705	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	90,544	184,499	-	-
Debt service:				
Principal	25,588	-	-	-
Interest	2,539	-	-	-
<i>Total expenditures</i>	<u>397,914</u>	<u>197,566</u>	<u>1,126,705</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>205,516</u>	<u>(158,095)</u>	<u>216,472</u>	<u>15,560</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	(9,086)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(9,086)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	196,430	(158,095)	216,472	15,560
<i>Fund balance - beginning of year</i>	<u>552,207</u>	<u>113,497</u>	<u>-</u>	<u>51,663</u>
<i>Fund balance - end of year</i>	<u>\$ 748,637</u>	<u>\$ (44,598)</u>	<u>\$ 216,472</u>	<u>\$ 67,223</u>

The accompanying notes are an integral part of these financial statements

Special Revenue				
CDBG	Law Enforcement Explorer Program	G.R.E.A.T Grant	Solid Waste Performance	Solid Waste GRT
\$ -	\$ -	\$ -	\$ -	\$ -
-	100	-	-	150,786
40,101	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	254,835
-	-	-	-	-
-	-	-	-	1,511
<u>40,101</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>407,132</u>
-	-	-	-	923,849
-	170	-	-	-
66,379	-	-	-	-
-	-	-	-	-
-	-	833	-	-
-	-	-	-	-
-	-	-	-	-
<u>66,379</u>	<u>170</u>	<u>833</u>	<u>-</u>	<u>923,849</u>
<u>(26,278)</u>	<u>(70)</u>	<u>(833)</u>	<u>-</u>	<u>(516,717)</u>
-	-	-	-	586,394
-	-	-	-	-
-	-	-	-	586,394
(26,278)	(70)	(833)	-	69,677
<u>(26,697)</u>	<u>1,030</u>	<u>843</u>	<u>12,500</u>	<u>(24,812)</u>
<u>\$ (52,975)</u>	<u>\$ 960</u>	<u>\$ 10</u>	<u>\$ 12,500</u>	<u>\$ 44,865</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, 2010

	Special Revenue			
	Clerk's Equipment	Department of Justice Assistance Programs	Special Revenue Bond	Sheriff's GRT
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	58,876	-	-	733,445
Intergovernmental:				
Federal operating grants	-	86,838	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	1,519
<i>Total revenues</i>	<u>58,876</u>	<u>86,838</u>	<u>-</u>	<u>734,964</u>
<i>Expenditures:</i>				
General government	2,355	-	-	-
Public safety	-	2,289	-	865,269
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	74,303	-	7,191
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,355</u>	<u>76,592</u>	<u>-</u>	<u>872,460</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>56,521</u>	<u>10,246</u>	<u>-</u>	<u>(137,496)</u>
<i>Other financing sources (uses)</i>				
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>	56,521	10,246	-	(137,496)
<i>Fund balance - beginning of year</i>	<u>134,286</u>	<u>-</u>	<u>14,855</u>	<u>406,213</u>
<i>Fund balance - end of year</i>	<u>\$ 190,807</u>	<u>\$ 10,246</u>	<u>\$ 14,855</u>	<u>\$ 268,717</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Road GRT	Fire GRT	Traffic Safety	Homeland Security	Title III-B
\$ -	\$ -	\$ -	\$ -	\$ -
156,136	156,136	-	-	-
-	-	-	-	46,670
-	-	43,095	-	17,127
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
156,136	156,136	43,095	-	63,797
-	-	-	-	-
-	155,120	44,079	-	-
14,489	-	-	-	-
-	-	-	-	95,774
-	-	-	-	-
41,843	-	-	-	-
57,661	-	-	-	-
13,777	-	-	-	-
127,770	155,120	44,079	-	95,774
28,366	1,016	(984)	-	(31,977)
-	-	-	-	33,180
-	-	-	-	-
-	-	-	-	33,180
28,366	1,016	(984)	-	1,203
123,501	51,761	20,341	3,500	24,376
\$ 151,867	\$ 52,777	\$ 19,357	\$ 3,500	\$ 25,579

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, 2010

	Special Revenue			
	Title III-E	Title C-1	Title C-2	Cash in Lieu
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	95,894	30,811	54,071
State operating grants	-	68,647	230,642	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>164,541</u>	<u>261,453</u>	<u>54,071</u>
<i>Expenditures:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	193,192	454,806	-
Health and welfare	-	-	-	73,165
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>193,192</u>	<u>454,806</u>	<u>73,165</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(28,651)</u>	<u>(193,353)</u>	<u>(19,094)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	58,066	185,254	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>58,066</u>	<u>185,254</u>	<u>-</u>
<i>Net change in fund balance</i>	-	29,415	(8,099)	(19,094)
<i>Fund balance - beginning of year</i>	<u>25</u>	<u>(11,494)</u>	<u>16,079</u>	<u>493</u>
<i>Fund balance - end of year</i>	<u>\$ 25</u>	<u>\$ 17,921</u>	<u>\$ 7,980</u>	<u>\$ (18,601)</u>

The accompanying notes are an integral part of these financial statements

Capital Projects				
Bonds/Judicial Renovation	Legislative Appropriation FY 02/03	Legislative Appropriation FY 03/04	Legislative Appropriation FY 04/05	Tome Adelino
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	19,829	-	19,855	143,964
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	19,829	-	19,855	143,964
-	-	-	-	-
-	-	-	-	-
-	-	-	-	55,606
-	-	-	-	-
134,010	-	-	19,855	88,358
575,000	-	-	-	-
278,383	-	-	-	-
987,393	-	-	19,855	143,964
(987,393)	19,829	-	-	-
852,448	-	-	-	-
-	-	-	-	-
852,448	-	-	-	-
(134,945)	19,829	-	-	-
320,208	-	-	-	-
\$ 185,263	\$ 19,829	\$ -	\$ -	\$ -

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, 2010

	Capital Projects			
	Legislative Appropriation FY 06/07	Legislative Appropriation FY 07/08	Legislative Appropriation FY 08/09	Legislative Appropriation FY 09/10
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	67,318	95,180	299,484	72,234
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	2,687	-
<i>Total revenues</i>	<u>67,318</u>	<u>95,180</u>	<u>302,171</u>	<u>72,234</u>
<i>Expenditures:</i>				
General government	51,715	5,198	114,961	39,000
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	15,603	237,629	187,210	33,234
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>67,318</u>	<u>242,827</u>	<u>302,171</u>	<u>72,234</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	(147,647)	-	-
<i>Other financing sources (uses)</i>				
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>	-	(147,647)	-	-
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>147,647</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

Capital Projects		Debt Service		Total
Corrections GRT	El Cerro Pump	Meadow Lake Fire Department	Highland Meadow Fire Department	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 336,630
514,703	23,071	33,417	-	5,162,479
-	-	-	-	453,347
-	-	-	16,801	491,231
-	-	-	-	717,864
-	-	-	-	254,835
-	52	82	18	250
-	-	-	-	58,531
<u>514,703</u>	<u>23,123</u>	<u>33,499</u>	<u>16,819</u>	<u>7,475,167</u>
-	-	-	-	1,955,568
101,356	-	-	-	3,774,436
-	-	-	-	136,474
-	-	-	-	812,592
-	-	-	-	73,998
153,042	-	-	-	1,374,675
-	-	-	-	731,650
-	-	-	-	311,691
<u>254,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,171,084</u>
<u>260,305</u>	<u>23,123</u>	<u>33,499</u>	<u>16,819</u>	<u>(1,695,917)</u>
-	-	-	-	2,229,991
-	-	-	-	(9,086)
-	-	-	-	2,220,905
260,305	23,123	33,499	16,819	524,988
<u>1,371,051</u>	<u>97,412</u>	<u>70,947</u>	<u>4</u>	<u>4,183,116</u>
<u>\$ 1,631,356</u>	<u>\$ 120,535</u>	<u>\$ 104,446</u>	<u>\$ 16,823</u>	<u>\$ 4,708,104</u>

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	4,000	4,000	3,063	(937)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,000</u>	<u>4,000</u>	<u>3,063</u>	<u>(937)</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>(937)</u>	<u>(937)</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>	-	-	(937)	(937)
<i>Fund balance - beginning of year</i>	-	-	368	368
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (569)</u>	<u>\$ (569)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (937)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (937)</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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	22,800	22,800	14,833	(7,967)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>22,800</u>	<u>22,800</u>	<u>14,833</u>	<u>(7,967)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	22,800	22,800	21,772	1,028
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>22,800</u>	<u>22,800</u>	<u>21,772</u>	<u>1,028</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,939)</u>	<u>(6,939)</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>(6,939)</u>	<u>(6,939)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>6,917</u>	<u>6,917</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22)</u>	<u>\$ (22)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (6,939)
Adjustments to revenues for state operating grants accrual				14,947
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 8,008</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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	87,000	87,000	23,144	(63,856)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	5,400	5,400	-	(5,400)
<i>Total revenues</i>	<u>92,400</u>	<u>92,400</u>	<u>23,144</u>	<u>(69,256)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	309,546	530,096	528,707	1,389
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,200	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>310,746</u>	<u>530,096</u>	<u>528,707</u>	<u>1,389</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(218,346)</u>	<u>(437,696)</u>	<u>(505,563)</u>	<u>(67,867)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(287,217)	(67,867)	-	67,867
Transfers in	505,563	505,563	505,563	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>218,346</u>	<u>437,696</u>	<u>505,563</u>	<u>67,867</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 balance (Budget Basis)</i>				\$ -
Adjustments to revenues for state operating grants accrual				(11,825)
Adjustments to expenditures for general government expenditure accrual				15,621
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 3,796</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-04

Valencia County

GRT- Regional Transit 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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	610,471	610,471
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>610,471</u>	<u>610,471</u>
<i>Expenditures</i>				
Current:				
General government	520,000	520,000	610,471	(90,471)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>520,000</u>	<u>520,000</u>	<u>610,471</u>	<u>(90,471)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(520,000)</u>	<u>(520,000)</u>	<u>-</u>	<u>520,000</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(130,000)	(130,000)	-	130,000
Transfers in	650,000	650,000	-	(650,000)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>520,000</u>	<u>520,000</u>	<u>-</u>	<u>(520,000)</u>
<i>Net change in fund balance</i>	-	-	-	-
<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>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ -
Adjustments to revenues for gross receipts tax accrual				137,040
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 137,040</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-05

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	33,080	33,080	34,544	1,464
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>33,080</u>	<u>33,080</u>	<u>34,544</u>	<u>1,464</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	35,384	35,384	35,226	158
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>35,384</u>	<u>35,384</u>	<u>35,226</u>	<u>158</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,304)</u>	<u>(2,304)</u>	<u>(682)</u>	<u>1,622</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,304	2,304	-	(2,304)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,304</u>	<u>2,304</u>	<u>-</u>	<u>(2,304)</u>
<i>Net change in fund balance</i>	-	-	(682)	(682)
<i>Fund balance - beginning of year</i>	-	-	32,123	32,123
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,441</u>	<u>\$ 31,441</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (682)
Adjustments to revenues for state operating grants accrual				3,640
Adjustments to expenditures for culture and recreation function accrual				(11,822)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (8,864)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-06

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	271,833	529,023	689,754	160,731
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	6,016	6,016
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	13,209	13,209
<i>Total revenues</i>	<u>271,833</u>	<u>529,023</u>	<u>708,979</u>	<u>179,956</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	466,531	766,288	709,301	56,987
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	44,990	48,788	47,350	1,438
Debt service:				
Principal	93,191	93,191	90,393	2,798
Interest	-	-	-	-
<i>Total expenditures</i>	<u>604,712</u>	<u>908,267</u>	<u>847,044</u>	<u>61,223</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(332,879)</u>	<u>(379,244)</u>	<u>(138,065)</u>	<u>241,179</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	323,793	370,158	-	(370,158)
Transfers in	9,086	9,086	9,086	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>332,879</u>	<u>379,244</u>	<u>9,086</u>	<u>(370,158)</u>
<i>Net change in fund balance</i>	-	-	(128,979)	(128,979)
<i>Fund balance - beginning of year</i>	-	-	381,636	381,636
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 252,657</u>	<u>\$ 252,657</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (128,979)
Adjustments to revenue for gross receipts tax and state operating grant accrual				8,810
Adjustments to expenditures for public safety function accrual				38,333
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (81,836)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-07

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	53,224	53,224	51,724	(1,500)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	829	829	829	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>54,053</u>	<u>54,053</u>	<u>52,553</u>	<u>(1,500)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	54,439	77,716	66,610	11,106
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	800	448	-	448
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>55,239</u>	<u>78,164</u>	<u>66,610</u>	<u>11,554</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,186)</u>	<u>(24,111)</u>	<u>(14,057)</u>	<u>10,054</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,186	24,111	-	(24,111)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,186</u>	<u>24,111</u>	<u>-</u>	<u>(24,111)</u>
<i>Net change in fund balance</i>	-	-	(14,057)	(14,057)
<i>Fund balance - beginning of year</i>	-	-	22,955	22,955
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,898</u>	<u>\$ 8,898</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (14,057)
No adjustments for revenue accruals				-
Adjustments to expenditures for public safety function accrual				3,715
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (10,342)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-08

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	10,000	10,000	631	(9,369)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>631</u>	<u>(9,369)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	10,000	10,000	193	9,807
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,000</u>	<u>10,000</u>	<u>193</u>	<u>9,807</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>438</u>	<u>438</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>438</u>	<u>438</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,915</u>	<u>2,915</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,353</u>	<u>\$ 3,353</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 438
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 438</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-09

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges 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>	<u>-</u>	<u>-</u>	<u>1,652</u>	<u>1,652</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,652</u>	<u>\$ 1,652</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 Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ 299,000	\$ 299,000	\$ 337,192	\$ 38,192
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	134	134
<i>Total revenues</i>	<u>299,000</u>	<u>299,000</u>	<u>337,326</u>	<u>38,326</u>
<i>Expenditures</i>				
Current:				
General government	277,655	277,655	206,136	71,519
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>277,655</u>	<u>277,655</u>	<u>206,136</u>	<u>71,519</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>21,345</u>	<u>21,345</u>	<u>131,190</u>	<u>109,845</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(21,345)	(21,345)	-	21,345
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(21,345)</u>	<u>(21,345)</u>	<u>-</u>	<u>21,345</u>
<i>Net change in fund balance</i>	-	-	131,190	131,190
<i>Fund balance - beginning of year</i>	-	-	330,623	330,623
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 461,813</u>	<u>\$ 461,813</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 131,190
Adjustments to revenues for property tax receivable accruals				(562)
Adjustments to expenditures for general government function accruals				2,117
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 132,745</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	318,000	397,358	276,240	(121,118)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	(9,086)	95,899	104,985
Federal capital grants	-	-	-	-
State operating grants	-	-	19,981	19,981
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	79	79
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>318,000</u>	<u>388,272</u>	<u>392,199</u>	<u>3,927</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	259,700	481,526	235,686	245,840
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	82,172	172,607	133,280	39,327
Debt service:				
Principal	28,128	28,128	28,127	1
Interest	-	-	-	-
<i>Total expenditures</i>	<u>370,000</u>	<u>682,261</u>	<u>397,093</u>	<u>285,168</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(52,000)</u>	<u>(293,989)</u>	<u>(4,894)</u>	<u>289,095</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	52,000	293,989	-	(293,989)
Transfers in	-	-	-	-
Transfers out	-	-	(9,086)	(9,086)
<i>Total other financing sources (uses)</i>	<u>52,000</u>	<u>293,989</u>	<u>(9,086)</u>	<u>(303,075)</u>
<i>Net change in fund balance</i>	-	-	(13,980)	(13,980)
<i>Fund balance - beginning of year</i>	-	-	527,524	527,524
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 513,544</u>	<u>\$ 513,544</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (13,980)
Adjustments to revenues for gross receipts tax accruals				211,231
Adjustments to expenditures for public safety function accruals				(821)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 196,430</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	51,000	51,000
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	51,000	51,000	-	(51,000)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	39,471	39,471
<i>Total revenues</i>	<u>51,000</u>	<u>51,000</u>	<u>90,471</u>	<u>39,471</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	8,000	8,300	5,749	2,551
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	43,000	132,084	131,027	1,057
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>51,000</u>	<u>140,384</u>	<u>136,776</u>	<u>3,608</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(89,384)</u>	<u>(46,305)</u>	<u>43,079</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	89,384	-	(89,384)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>89,384</u>	<u>-</u>	<u>(89,384)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(46,305)</u>	<u>(46,305)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>62,497</u>	<u>62,497</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,192</u>	<u>\$ 16,192</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (46,305)
Adjustments to revenues for gross receipts tax accruals				(51,000)
Adjustments to expenditures for capital outlay function accruals				(60,790)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (158,095)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

Valencia County

EMS-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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	1,168,000	1,200,000	1,233,544	33,544
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,168,000</u>	<u>1,200,000</u>	<u>1,233,544</u>	<u>33,544</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	1,189,296	1,189,296	1,115,871	73,425
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	10,704	10,704	1,434	9,270
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,117,305</u>	<u>82,695</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(32,000)</u>	<u>-</u>	<u>116,239</u>	<u>116,239</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	32,000	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>32,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	116,239	116,239
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,239</u>	<u>\$ 116,239</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 116,239
Adjustments to revenues for gross receipts tax accruals				109,633
Adjustments to expenditures for public safety function accruals				(9,400)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 216,472</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	15,541	15,541
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	19	19
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>15,560</u>	<u>15,560</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>15,560</u>	<u>15,560</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>	-	-	15,560	15,560
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>51,663</u>	<u>51,663</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,223</u>	<u>\$ 67,223</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 15,560
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 15,560</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	107,999	107,999	40,101	(67,898)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>107,999</u>	<u>107,999</u>	<u>40,101</u>	<u>(67,898)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	107,999	107,999	66,379	41,620
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>107,999</u>	<u>107,999</u>	<u>66,379</u>	<u>41,620</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(26,278)</u>	<u>(26,278)</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>(26,278)</u>	<u>(26,278)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(26,697)</u>	<u>(26,697)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,975)</u>	<u>\$ (52,975)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (26,278)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (26,278)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	3,000	3,000	100	(2,900)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,000</u>	<u>3,000</u>	<u>100</u>	<u>(2,900)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	3,000	3,000	170	2,830
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>170</u>	<u>2,830</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(70)</u>	<u>(70)</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>	-	-	(70)	(70)
<i>Fund balance - beginning of year</i>	-	-	1,030	1,030
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 960</u>	<u>\$ 960</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (70)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (70)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges 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	-	843	833	10
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>843</u>	<u>833</u>	<u>10</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(843)</u>	<u>(833)</u>	<u>10</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	843	-	(843)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>843</u>	<u>-</u>	<u>(843)</u>
<i>Net change in fund balance</i>	-	-	(833)	(833)
<i>Fund balance - beginning of year</i>	-	-	843	843
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 10</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (833)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (833)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	10,000	10,000	2,500	(7,500)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	(10,000)	(10,000)	-	10,000
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>2,500</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>2,500</u>	<u>2,500</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>	-	-	2,500	2,500
<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>\$ 12,500</u>	<u>\$ 12,500</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 2,500
Adjustments to revenue for gross receipts tax accrual				(2,500)
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-19

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	174,000	174,000	136,741	(37,259)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	215,000	215,000	265,700	50,700
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	100,000	100,000	1,511	(98,489)
<i>Total revenues</i>	<u>489,000</u>	<u>489,000</u>	<u>403,952</u>	<u>(85,048)</u>
<i>Expenditures</i>				
Current:				
General government	1,223,943	1,221,843	987,481	234,362
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,000	4,100	2,215	1,885
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,225,943</u>	<u>1,225,943</u>	<u>989,696</u>	<u>236,247</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(736,943)</u>	<u>(736,943)</u>	<u>(585,744)</u>	<u>151,199</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	150,549	150,549	-	(150,549)
Transfers in	586,394	586,394	586,394	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>736,943</u>	<u>736,943</u>	<u>586,394</u>	<u>(150,549)</u>
<i>Net change in fund balance</i>	-	-	650	650
<i>Fund balance - beginning of year</i>	-	-	(650)	(650)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 650
Adjustments to revenues for gross receipts tax and licenses and fees accrual				3,180
Adjustments to expenditures for general government function accrual				65,847
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 69,677</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	62,000	62,000	58,876	(3,124)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>62,000</u>	<u>62,000</u>	<u>58,876</u>	<u>(3,124)</u>
<i>Expenditures</i>				
Current:				
General government	2,670	2,670	2,378	292
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,670</u>	<u>2,670</u>	<u>2,378</u>	<u>292</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>59,330</u>	<u>59,330</u>	<u>56,498</u>	<u>(2,832)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(59,330)	(59,330)	-	59,330
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(59,330)</u>	<u>(59,330)</u>	<u>-</u>	<u>59,330</u>
<i>Net change in fund balance</i>	-	-	56,498	56,498
<i>Fund balance - beginning of year</i>	-	-	134,347	134,347
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,845</u>	<u>\$ 190,845</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 56,498
No adjustments for revenue accruals				-
Adjustments to expenditures for general government function accrual				23
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 56,521</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

Valencia County

Department of Justice Assistance Programs 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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	123,201	86,838	(36,363)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>123,201</u>	<u>86,838</u>	<u>(36,363)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	32,480	2,289	30,191
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	90,721	74,303	16,418
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>123,201</u>	<u>76,592</u>	<u>46,609</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>10,246</u>	<u>10,246</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>10,246</u>	<u>10,246</u>
<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>\$ 10,246</u>	<u>\$ 10,246</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 10,246
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 10,246</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges 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 balance (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-23

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	780,000	780,000	702,790	(77,210)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	1,519	1,519
<i>Total revenues</i>	<u>780,000</u>	<u>780,000</u>	<u>704,309</u>	<u>(75,691)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	790,802	848,402	844,134	4,268
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	27,660	11,260	10,892	368
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>818,462</u>	<u>859,662</u>	<u>855,026</u>	<u>4,636</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(38,462)</u>	<u>(79,662)</u>	<u>(150,717)</u>	<u>(71,055)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	38,462	79,662	-	(79,662)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>38,462</u>	<u>79,662</u>	<u>-</u>	<u>(79,662)</u>
<i>Net change in fund balance</i>	-	-	(150,717)	(150,717)
<i>Fund balance - beginning of year</i>	-	-	291,737	291,737
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,020</u>	<u>\$ 141,020</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (150,717)
Adjustments to revenues for gross receipts tax accrual				30,655
Adjustments to expenditures for public safety and capital outlay function accrual				(17,434)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (137,496)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	160,000	160,000	148,294	(11,706)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>160,000</u>	<u>160,000</u>	<u>148,294</u>	<u>(11,706)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	2,200	2,200	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	86,758	98,958	54,132	44,826
Debt service:				
Principal	82,404	82,404	71,438	10,966
Interest	-	-	-	-
<i>Total expenditures</i>	<u>169,162</u>	<u>183,562</u>	<u>127,770</u>	<u>55,792</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(9,162)</u>	<u>(23,562)</u>	<u>20,524</u>	<u>44,086</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	9,162	23,562	-	(23,562)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>9,162</u>	<u>23,562</u>	<u>-</u>	<u>(23,562)</u>
<i>Net change in fund balance</i>	-	-	20,524	20,524
<i>Fund balance - beginning of year</i>	-	-	98,003	98,003
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,527</u>	<u>\$ 118,527</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 20,524
Adjustments to revenues for gross receipts tax accrual				7,842
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 28,366</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	160,000	160,000	148,294	(11,706)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>160,000</u>	<u>160,000</u>	<u>148,294</u>	<u>(11,706)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	160,000	160,000	155,120	4,880
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>160,000</u>	<u>160,000</u>	<u>155,120</u>	<u>4,880</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,826)</u>	<u>(6,826)</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>(6,826)</u>	<u>(6,826)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>26,263</u>	<u>26,263</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,437</u>	<u>\$ 19,437</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (6,826)
Adjustments to revenues for gross receipts tax accrual				7,842
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 1,016</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	69,570	81,226	39,760	(41,466)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>69,570</u>	<u>81,226</u>	<u>39,760</u>	<u>(41,466)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	53,160	88,117	39,689	48,428
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	16,410	16,410	-	16,410
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>69,570</u>	<u>104,527</u>	<u>39,689</u>	<u>64,838</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(23,301)</u>	<u>71</u>	<u>23,372</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	23,301	-	(23,301)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>23,301</u>	<u>-</u>	<u>(23,301)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>71</u>	<u>71</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>20,359</u>	<u>20,359</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,430</u>	<u>\$ 20,430</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 71
Adjustments to revenues for state operating grants accrual				3,335
Adjustments to expenditures for public safety function accrual				(4,390)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (984)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges 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 balance (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-28

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	42,540	42,540	46,639	4,099
Federal capital grants	-	-	-	-
State operating grants	18,681	18,681	15,983	(2,698)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>61,221</u>	<u>61,221</u>	<u>62,622</u>	<u>1,401</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	104,076	104,076	95,776	8,300
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>104,076</u>	<u>104,076</u>	<u>95,776</u>	<u>8,300</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(42,855)</u>	<u>(42,855)</u>	<u>(33,154)</u>	<u>9,701</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	42,855	42,855	-	(42,855)
Transfers in	-	-	33,180	33,180
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>42,855</u>	<u>42,855</u>	<u>33,180</u>	<u>(9,675)</u>
<i>Net change in fund balance</i>	-	-	26	26
<i>Fund balance - beginning of year</i>	-	-	15,091	15,091
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,117</u>	<u>\$ 15,117</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 26
Adjustments to revenue for state and federal operating grants accrual				1,175
Adjustments to expenditures for culture and recreation function accrual				2
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 1,203</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges 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 balance (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-30

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	206,068	242,172	91,389	(150,783)
Federal capital grants	-	-	-	-
State operating grants	44,504	37,241	65,405	28,164
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	27,400	37,850	-	(37,850)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>277,972</u>	<u>317,263</u>	<u>156,794</u>	<u>(160,469)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	187,323	201,308	193,402	7,906
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>187,323</u>	<u>201,308</u>	<u>193,402</u>	<u>7,906</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>90,649</u>	<u>115,955</u>	<u>(36,608)</u>	<u>(152,563)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(90,649)	(115,955)	-	115,955
Transfers in	-	-	58,066	58,066
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(90,649)</u>	<u>(115,955)</u>	<u>58,066</u>	<u>174,021</u>
<i>Net change in fund balance</i>	-	-	21,458	21,458
<i>Fund balance - beginning of year</i>	-	-	(13,188)	(13,188)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,270</u>	<u>\$ 8,270</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 21,458
Adjustments to revenues for state and federal operating grants accrual				7,747
Adjustments to expenditures for culture and recreation function accrual				210
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 29,415</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	15,329	26,933	29,084	2,151
Federal capital grants	-	-	-	-
State operating grants	245,864	225,270	219,915	(5,355)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	33,347	2,077	-	(2,077)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>294,540</u>	<u>254,280</u>	<u>248,999</u>	<u>(5,281)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	480,764	461,885	456,841	5,044
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>480,764</u>	<u>461,885</u>	<u>456,841</u>	<u>5,044</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(186,224)</u>	<u>(207,605)</u>	<u>(207,842)</u>	<u>(237)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	186,224	207,605	-	(207,605)
Transfers in	-	-	185,254	185,254
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>186,224</u>	<u>207,605</u>	<u>185,254</u>	<u>(22,351)</u>
<i>Net change in fund balance</i>	-	-	(22,588)	(22,588)
<i>Fund balance - beginning of year</i>	-	-	11,642	11,642
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,946)</u>	<u>\$ (10,946)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (22,588)
Adjustments to revenue for state and federal operating grants accrual				12,454
Adjustments to expenditures for culture and recreation function accrual				2,035
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (8,099)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	58,629	73,156	47,509	(25,647)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>58,629</u>	<u>73,156</u>	<u>47,509</u>	<u>(25,647)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	58,629	73,165	73,165	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>58,629</u>	<u>73,165</u>	<u>73,165</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(9)</u>	<u>(25,656)</u>	<u>(25,647)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	9	-	(9)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>9</u>	<u>-</u>	<u>(9)</u>
<i>Net change in fund balance</i>	-	-	(25,656)	(25,656)
<i>Fund balance - beginning of year</i>	-	-	(4,699)	(4,699)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,355)</u>	<u>\$ (30,355)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (25,656)
Adjustments to revenue for federal operating grant accrual				6,562
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (19,094)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

Valencia County

Bonds/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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ 284,869	\$ 284,869	\$ -	\$ (284,869)
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>284,869</u>	<u>284,869</u>	<u>-</u>	<u>(284,869)</u>
<i>Expenditures:</i>				
Current:				
General government	284,869	178,869	28,308	150,561
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	106,000	105,702	298
Debt service:				
Principal	853,512	853,512	852,448	1,064
Interest	-	-	935	(935)
<i>Total expenditures</i>	<u>1,138,381</u>	<u>1,138,381</u>	<u>987,393</u>	<u>150,988</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(853,512)</u>	<u>(853,512)</u>	<u>(987,393)</u>	<u>(133,881)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,064	1,064	-	(1,064)
Transfers in	852,448	852,448	852,448	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>853,512</u>	<u>853,512</u>	<u>852,448</u>	<u>(1,064)</u>
<i>Net change in fund balance</i>	-	-	(134,945)	(134,945)
<i>Fund balance - beginning of year</i>	-	-	320,208	320,208
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,263</u>	<u>\$ 185,263</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (134,945)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (134,945)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

Valencia County

Legislative 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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges 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>	<u>-</u>	<u>-</u>	<u>19,829</u>	<u>19,829</u>
<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>				\$ -
Adjustments to revenues for state capital grants accrual				19,829
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 19,829</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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	5,554	5,554	-	(5,554)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,554</u>	<u>5,554</u>	<u>-</u>	<u>(5,554)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	5,554	5,554	-	5,554
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>5,554</u>	<u>5,554</u>	<u>-</u>	<u>5,554</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>	<u>-</u>	<u>-</u>	<u>(103,771)</u>	<u>(103,771)</u>
<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>				\$ -
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-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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	75,137	75,137	86,426	11,289
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>75,137</u>	<u>75,137</u>	<u>86,426</u>	<u>11,289</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	32,568	32,568	19,855	12,713
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>32,568</u>	<u>32,568</u>	<u>19,855</u>	<u>12,713</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>42,569</u>	<u>42,569</u>	<u>66,571</u>	<u>24,002</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(42,569)	(42,569)	-	42,569
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(42,569)</u>	<u>(42,569)</u>	<u>-</u>	<u>42,569</u>
<i>Net change in fund balance</i>	-	-	66,571	66,571
<i>Fund balance - beginning of year</i>	-	-	(170,792)	(170,792)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (104,221)</u>	<u>\$ (104,221)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 66,571
Adjustments to revenues for state capital grants accrual				(66,571)
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-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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	206,588	206,588	147,693	(58,895)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>206,588</u>	<u>206,588</u>	<u>147,693</u>	<u>(58,895)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,248	1,248	970	278
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	180,282	180,282	142,994	37,288
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>181,530</u>	<u>181,530</u>	<u>143,964</u>	<u>37,566</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>25,058</u>	<u>25,058</u>	<u>3,729</u>	<u>(21,329)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(25,058)	(25,058)	-	25,058
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(25,058)</u>	<u>(25,058)</u>	<u>-</u>	<u>25,058</u>
<i>Net change in fund balance</i>	-	-	3,729	3,729
<i>Fund balance - beginning of year</i>	-	-	(145,405)	(145,405)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (141,676)</u>	<u>\$ (141,676)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 3,729
Adjustments to revenue for state capital grants accrual				(3,729)
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-38

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	1,324,269	1,324,269	340,000	(984,269)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,324,269</u>	<u>1,324,269</u>	<u>340,000</u>	<u>(984,269)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,178,813	1,178,813	224,466	954,347
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,178,813</u>	<u>1,178,813</u>	<u>224,466</u>	<u>954,347</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>145,456</u>	<u>145,456</u>	<u>115,534</u>	<u>(29,922)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(145,456)	(145,456)	-	145,456
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(145,456)</u>	<u>(145,456)</u>	<u>-</u>	<u>145,456</u>
<i>Net change in fund balance</i>	-	-	115,534	115,534
<i>Fund balance - beginning of year</i>	-	-	(410,628)	(410,628)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (295,094)</u>	<u>\$ (295,094)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 115,534
Adjustments to revenues for state capital grants accruals				(272,682)
Adjustments to expenditures for capital outlay function accruals				157,148
<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-39

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	575,996	575,996	379,414	(196,582)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>575,996</u>	<u>575,996</u>	<u>379,414</u>	<u>(196,582)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	566,740	566,740	243,849	322,891
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>566,740</u>	<u>566,740</u>	<u>243,849</u>	<u>322,891</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>9,256</u>	<u>9,256</u>	<u>135,565</u>	<u>126,309</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(9,256)	(9,256)	-	9,256
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(9,256)</u>	<u>(9,256)</u>	<u>-</u>	<u>9,256</u>
<i>Net change in fund balance</i>	-	-	135,565	135,565
<i>Fund balance - beginning of year</i>	-	-	(128,553)	(128,553)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,012</u>	<u>\$ 7,012</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 135,565
Adjustments to revenue for state capital grants accrual				(284,234)
Adjustments to expenditures for capital outlay function accrual				1,022
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (147,647)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
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, 2010

Statement B-40

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	1,294,500	1,409,500	490,234	(919,266)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	(32,000)	-	2,687	2,687
<i>Total revenues</i>	<u>1,262,500</u>	<u>1,409,500</u>	<u>492,921</u>	<u>(916,579)</u>
<i>Expenditures:</i>				
Current:				
General government	450,000	450,000	-	450,000
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	846,915	961,915	333,984	627,931
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,296,915</u>	<u>1,411,915</u>	<u>333,984</u>	<u>1,077,931</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(34,415)</u>	<u>(2,415)</u>	<u>158,937</u>	<u>161,352</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	34,415	2,415	-	(2,415)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>34,415</u>	<u>2,415</u>	<u>-</u>	<u>(2,415)</u>
<i>Net change in fund balance</i>	-	-	158,937	158,937
<i>Fund balance - beginning of year</i>	-	-	(172,245)	(172,245)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,308)</u>	<u>\$ (13,308)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 158,937
Adjustments to revenue for state capital grants accrual				(190,750)
Adjustments to expenditures for capital outlay function accrual				31,813
<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-41

Valencia County

Legislative Appropriation FY 09/10 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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	39,000	72,234	33,234
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>39,000</u>	<u>72,234</u>	<u>33,234</u>
<i>Expenditures:</i>				
Current:				
General government	-	39,000	39,000	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	192,000	192,000	33,234	158,766
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>192,000</u>	<u>231,000</u>	<u>72,234</u>	<u>158,766</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(192,000)</u>	<u>(192,000)</u>	<u>-</u>	<u>192,000</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	192,000	192,000	-	(192,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>192,000</u>	<u>192,000</u>	<u>-</u>	<u>(192,000)</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 balance (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
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, 2010

Statement B-42

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	450,000	450,000	605,868	155,868
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>450,000</u>	<u>450,000</u>	<u>605,868</u>	<u>155,868</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	413,944	352,944	96,113	256,831
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	97,670	158,670	158,285	385
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>511,614</u>	<u>511,614</u>	<u>254,398</u>	<u>257,216</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(61,614)</u>	<u>(61,614)</u>	<u>351,470</u>	<u>413,084</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	61,614	61,614	-	(61,614)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>61,614</u>	<u>61,614</u>	<u>-</u>	<u>(61,614)</u>
<i>Net change in fund balance</i>	-	-	351,470	351,470
<i>Fund balance - beginning of year</i>	-	-	1,224,958	1,224,958
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,576,428</u>	<u>\$ 1,576,428</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 351,470
No adjustments for revenue accruals				-
Adjustments to expenditures for capital outlay function accrual				(91,165)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 260,305</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-43

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	23,071	23,071
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	52	52
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>23,123</u>	<u>23,123</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>23,123</u>	<u>23,123</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>	-	-	23,123	23,123
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>97,412</u>	<u>97,412</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,535</u>	<u>\$ 120,535</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 23,123
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 23,123</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-44

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	33,417	33,417
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	82	82
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>33,499</u>	<u>33,499</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>33,499</u>	<u>33,499</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>	-	-	33,499	33,499
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>70,947</u>	<u>70,947</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,446</u>	<u>\$ 104,446</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 33,499
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 33,499</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-45

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	16,801	16,801
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	18	18
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>16,819</u>	<u>16,819</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>16,819</u>	<u>16,819</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>	-	-	16,819	16,819
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,823</u>	<u>\$ 16,823</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 16,819
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 16,819</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-46

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, 2010

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ 945,320	\$ 945,320
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>945,320</u>	<u>945,320</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>945,320</u>	<u>945,320</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(852,449)	852,449
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(852,449)</u>	<u>852,449</u>
<i>Net change in fund balance</i>	-	-	92,871	92,871
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,473,719</u>	<u>1,473,719</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,566,590</u>	<u>\$ 1,566,590</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 92,871
Adjustments to revenue for property tax accruals				(4,017)
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 88,854</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, 2010

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>
Bank of the West			
	FN 774981	4/1/2034	31404P6S5
	University of NM Gallup Branch	8/1/2022	914684CU7
	FN 872467	5/1/2036	31409JL5
	FHR 3636 EA	11/15/2018	31398WLY8
	GNR 2010-10 KC	8/20/2035	38375A4Z4
	FHR 3597 QG	6/15/2036	31398LDA3
	FN 382906	12/1/2018	31377PKT0
	GNR 2004-104 FJ	9/20/2033	38374KDQ3
	FN #775320 (24)	5/1/2034	31404QK99
	University of NM Gallup Branch	8/1/2011	914684CH6
	University of NM Gallup Branch	8/1/2012	914684CJ2
	Southern Sandoval NMA	8/1/2015	843789DF2
	Southern Sandoval NMA	8/1/2020	843789DL9
	University of NM Gallup Branch	8/1/2022	914684CU7
	Southern Sandoval NMA	8/1/2010	843789DA3
	Southern Sandoval NMA	8/1/2012	843789DC9
	FN 838856	4/1/2036	31409EH95
	University of NM Gallup Branch	8/1/2010	914684CG8
	University of NM Gallup Branch	8/1/2020	914684CS2
	Total Bank of the West		
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
	GNMA SER 2009-61 CL BA	12/20/2028	38376FBB7
	Belen NM Gross Receipts Tax	6/1/2026	077571CS4
	Total NM Bank and Trust		
MyBank			
	Alamogordo NM SD	8/1/2018	011464EZ3
	West LV School Dist	7/15/2012	953769HW9
	West LV School Dist	7/15/2014	953769HY5
	Carlsbad NM SD	8/1/2017	142735CZ0
	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, 2010	Name and Location of Safekeeper	
\$ 622,313	Wells Fargo - Minneapolis, Minnesota	
1,409,000	* Wells Fargo - Minneapolis, Minnesota	
441,363	Wells Fargo - Minneapolis, Minnesota	
737,618	Wells Fargo - Minneapolis, Minnesota	
770,966	Wells Fargo - Minneapolis, Minnesota	
2,328,787	Wells Fargo - Minneapolis, Minnesota	
660,742	Wells Fargo - Minneapolis, Minnesota	
507,359	Wells Fargo - Minneapolis, Minnesota	
1,102,611	Wells Fargo - Minneapolis, Minnesota	
175,000	* Wells Fargo - Minneapolis, Minnesota	
200,000	* Wells Fargo - Minneapolis, Minnesota	
200,000	* Wells Fargo - Minneapolis, Minnesota	
155,000	* Wells Fargo - Minneapolis, Minnesota	
250,000	* Wells Fargo - Minneapolis, Minnesota	
275,000	* Wells Fargo - Minneapolis, Minnesota	
150,000	* Wells Fargo - Minneapolis, Minnesota	
366,425	Wells Fargo - Minneapolis, Minnesota	
150,000	* Wells Fargo - Minneapolis, Minnesota	
350,000	* Wells Fargo - Minneapolis, Minnesota	
<hr/>		
10,852,184		
<hr/>		
56,330	Federal Home Loan Bank - Dallas, TX	
724,404	Federal Home Loan Bank - Dallas, TX	
1,651,904	Federal Home Loan Bank - Dallas, TX	
1,040,000	* Federal Home Loan Bank - Dallas, TX	
<hr/>		
3,472,638		
<hr/>		
500,000	* Federal Home Loan Bank - Dallas, TX	
400,000	* Federal Home Loan Bank - Dallas, TX	
400,000	* Federal Home Loan Bank - Dallas, TX	
850,000	* Federal Home Loan Bank - Dallas, TX	
<hr/>		
2,150,000		
<hr/>		
\$ 16,474,822		

STATE OF NEW MEXICO
Valencia County
Schedule of Deposit and Investment Accounts
June 30, 2010

Bank Name	Acct. Type	Bank Balance
Deposits:		
Bank of the West		
Operational Checking Account	Checking	\$ 6,738,569
Hospital	Checking	8,276,748
Wells Fargo		
Adult Detention Commissary	Checking	4,436
CDBG	Checking	40,140
Judicial Complex	Money Market	113,329
Choice IV Public Funds	Money Market	11,613
First Community Bank		
Elec Fed Tax Pymt System Account	Checking	2,755
NM Bank & Trust		
Certificate of Deposits	CD	2,503,811
3/12 Reserve Account	CD	2,479,597
MyBank		
Sheriff Oper/Federal	Checking	10,272
Certificate of Deposit	CD	501,757
Certificate of Deposit	CD	501,757
Certificate of Deposit	CD	501,757
Certificate of Deposit	CD	301,054
Certificate of Deposit	CD	301,054
Subtotal Deposits		<u>22,288,649</u>
US Treasury Money Market Mutual Fund	Mutual Fund	101,299
New Mexico State Treasurer		
LGIP	LGIP	<u>35,815</u>
Total deposits and investments per financial statements		<u>\$ 22,425,763</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 cash, cash equivalents and investments

See accompanying independent auditor's report

Deposits in Transit	Outstanding Checks	Book Balance
\$ 54,675	\$ 800,764	\$ 5,992,480
-	-	8,276,748
-	-	4,436
-	-	40,140
-	-	113,329
-	-	11,613
-	-	2,755
-	-	2,503,811
-	-	2,479,597
-	-	10,272
-	-	501,757
-	-	501,757
-	-	501,757
-	-	301,054
-	-	301,054
<u>54,675</u>	<u>800,764</u>	<u>21,542,560</u>
-	-	101,299
<u>-</u>	<u>-</u>	<u>35,815</u>
<u>\$ 54,675</u>	<u>\$ 800,764</u>	<u>\$ 21,679,674</u>
		\$ 8,386,469
		2,143,194
		1,667,889
		<u>9,482,122</u>
		<u>\$ 21,679,674</u>

STATE OF NEW MEXICO
Valencia County
Tax Roll Reconciliation-Changes in Property Taxes Receivable
June 30, 2010

Schedule III

Property taxes receivable, beginning of year	\$ 8,926,930
Changes to tax roll:	
Net tax charges to treasurer for fiscal year	37,870,539
Adjustments:	
Allowance for uncollectible taxes receivable	(1,998,254)
Charge off of taxes receivable	<u>(988,978)</u>
Total receivable prior to collections	43,810,237
Collections for fiscal year ended June 30, 2010	<u>(37,149,757)</u>
Property taxes receivable at June 30, 2010	<u><u>\$ 6,660,480</u></u>
Property taxes are reported as follows:	
Governmental Funds:	
County portion- Exhibit A-1	\$ 2,066,976
Agency portion- Exhibit D-1	<u>4,593,504</u>
Total property taxes receivable	<u><u>\$ 6,660,480</u></u>
Property taxes receivable by years:	
2000	\$ -
2001	23,238
2002	67,768
2003	131,594
2004	182,997
2005	250,004
2006	424,167
2007	760,515
2008	1,615,673
2009	<u>3,204,524</u>
	<u><u>\$ 6,660,480</u></u>

See accompanying independent auditor's report

STATE OF NEW MEXICO
Valencia County
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2010

Schedule IV

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
ASSETS				
Cash and cash equivalents	\$ 6,543,375	\$ 31,146,503	\$ 28,207,756	\$ 9,482,122
Taxes receivable	<u>4,319,523</u>	<u>21,467,154</u>	<u>21,193,173</u>	<u>4,593,504</u>
<i>Total assets</i>	<u><u>\$ 10,862,898</u></u>	<u><u>\$ 52,613,657</u></u>	<u><u>\$ 49,400,929</u></u>	<u><u>\$ 14,075,626</u></u>
 LIABILITIES				
Deposits held in trust for inmates	\$ 397,767	\$ 425,852	\$ 513,659	\$ 309,960
Deposits held in trust for hospital levy	5,209,834	3,126,329	-	8,336,163
Deposits held in trust for other taxing entities	935,774	27,619,812	27,719,587	835,999
Due to other taxing entities	<u>4,319,523</u>	<u>21,467,154</u>	<u>21,193,173</u>	<u>4,593,504</u>
<i>Total liabilities</i>	<u><u>\$ 10,862,898</u></u>	<u><u>\$ 52,639,147</u></u>	<u><u>\$ 49,426,419</u></u>	<u><u>\$ 14,075,626</u></u>

See accompanying independent auditor's report

STATE OF NEW MEXICO
Valencia County
Schedule of Legislative Grants
For the Year Ended June 30, 2010

<u>Project</u>	<u>Grant #</u>	<u>Expiration Date</u>	<u>Grant Amount</u>
Del Rio Community Center	2009-4927	6/30/2012	\$ 445,500
Equipment and Furnishing	2010-0060	6/30/2011	11,500
Railroad Quiet Zones	C8G699	6/30/2012	115,000
Renovate Fred Luna Senior Center	2010-3064	6/30/2013	150,000
			<u>\$ 722,000</u>

The County recognizes the expenditures and related revenues for the capital outlay projects on a reimbursement basis in accordance with GASB Statement No. 33. Therefore, the remaining grant balance does not appear in the County's financial statements.

See accompanying independent auditor's report

<u>Expenditures To</u> <u>Date</u>	<u>Remaining Grant</u> <u>Balance</u>
\$ -	\$ 445,500
-	11,500
-	115,000
-	150,000
<u>\$ -</u>	<u>\$ 722,000</u>

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COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

**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
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), New Mexico, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 12, 2010. 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 County Debt Service Debt Service 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, 2010 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items FS 2007-10, FS 2007-12, FS 2007-14, FS 2007-16, FS 2007-17, FS 2008-01 and FS 2009-01 to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items FS 2008-02, FS 2010-03, and FS 2010-06 to be significant deficiencies.

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 2007-17, FS 2009-03, and FS 2010-04.

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 2010-01 and FS 2010-05.

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, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 12, 2010

STATE OF NEW MEXICO
Valencia County
Schedule of Findings and Responses
June 30, 2010

Section I – Summary of Audit Results:

Financial Statements:

- | | |
|--|-----------|
| 1. Type of auditors' report issued | Qualified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses 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 by agency. This is information necessary to complete the County'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. In addition, the County cannot document the current property tax receivable by agency, including their portion.

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 Hartogensis, 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 as well as information for the Distribution, Current Amount Uncollected, but we do not have a program that can break down the Additions & Deletions by entity. Therefore, the Report is still lacking information to have a complete Ten Year Property Tax Schedule and cannot be completed until our computer software company, Triadic, creates a program than can give us the correct break down by entity.

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 checks totaling \$49,213 that were incorrectly recorded on the list of outstanding items, and on the deposits in transit listing. In addition, there were amounts in the agency funds that were uncleared and it was not apparent if these amounts were the County's funds. We also noted 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 \$23,802.

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. Lastly we recommend a documented review be performed on all bank reconciliations.

FS 2007-14 — Recording/Reconciliation of Cash (Continued)

Agency's Response: The Treasurer's Office Staff understands that deposit errors, encoding and miscellaneous errors that the bank is responsible for need to be corrected by making a journal entry when these errors occur on a monthly basis. These errors may not be cleared until the next month after research has been done and the error reversed. There are also some errors that have been carried over from month to month and have not been cleared and need to be by making a Journal Entry. The Treasurer's Office will make the necessary adjustments to the Financial Report. Also, the Treasurer's Office will document and a review to be preformed on all bank reconciliations.

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, inventoried and depreciated. We also recommend that the County follow the regulations and statutes described above under "Criteria."

Cause: The County does not have an internal control system in place to properly account for capital assets.

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.

FS 2007-16 Capital Assets (Continued)

- 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.

We have tracked these differences and pinpointed it to the corrections that are made into the system. When changing the records by deleting taxes that are incorrectly assessed the system is not recording the deletion correctly. There are some that are recorded as debits instead of credits. This is not something the clerk has control over and the error is being made by the system/program. It is not a clerical error but a programming error that needs to be addressed by Triadic.

FS 2008-01 Material Weaknesses in Internal Control over Financial Reporting

Condition: The County’s internal control structure is inadequate. The County does not have a comprehensive documented internal control system over financial information. The County does not maintain proper oversight or monitoring in regards to the County’s accounting activities and has not taken the proper measures to monitor and mitigate the risk for fraud, misappropriation of assets, or misstatement of financial statements. During our audit, we noted the following internal control deficiencies:

- Delinquent receivables are not reviewed.
- Interfund receivables and payables are not balanced monthly and reconciled to the general ledger.
- Checks are not prenumbered, the sequence is not accounted for regularly, and unissued checks are not controlled and kept in a secure location.
- Changes to the vendor master file are not periodically reviewed for reasonableness.
- The payroll system master file change log is not reviewed, showing all changes made to payroll information, is reviewed by management to ensure it reflects accurate and complete information.

FS 2008-01 Material Weaknesses in Internal Control over Financial Reporting (Continued)

- Management does not track capital asset acquisitions and remaining costs and compares to capital budgets.
- Capital asset listings are routed to the appropriate managers to determine whether the assets still physically exist, but are not completed.
- The capital assets subledger is not reviewed and reconciled to the general ledger.
- Capital asset depreciation charges are not calculated correctly by the automated system and are reviewed for reasonableness by management.
- Disposals of capital assets are not reviewed by management and entered into the capital assets subledger by accounting personnel in a timely fashion.
- Bank reconciliations not reviewed.
- The check signer does not review all supporting documentation prior to signing a check.
- No reconciliation of outstanding debt instruments to the general ledger is prepared and reviewed timely.
- The government does not have review procedures in place to determine compliance with debt agreement restrictions and procedures and adherence to those procedures is periodically reviewed by the appropriate level of management or another appropriate person.
- Bank statements are not received and reviewed by a responsible person other than the person who reconciles the bank account before being submitted for reconciliation.
- Those charged with governance are not actively involved and have significant influence over the entity's internal control environment and its financial reporting.
- Management's philosophy and operating style are not consistent with a sound control environment and have a pervasive effect on the entity. Management does not analyze the risks and benefits of new activities, assesses turnover among employees, investigates and resolves improper business practices, views accounting as a means to monitor and control the various activities of the organization, and adopts accounting policies that reflect the economic realities of the governmental unit.
- Management has not established practices for the identification of risks affecting the entity as well as appropriate fraud risk assessment and monitoring processes.
- Management does not monitor controls over financial reporting through ongoing monitoring, independent evaluations, and remediation of identified deficiencies.

Criteria: NMAC 6.20.2.11 states:

A. Every County shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

B. Each County shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

(1) County management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the County.

(2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with County authorization.

(3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.

(4) The County shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.

(5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, Counties shall establish any other criteria applicable to such statements to maintain accountability for assets.

FS 2008-01 Material Weaknesses in Internal Control over Financial Reporting (Continued)

(6) Counties shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

C. An internal control structure is required to demonstrate the County's ability to record, process, summarize and report financial data consistent with the following financial statement assertions:

- (1) rights and ownership;
- (2) existence and occurrence;
- (3) valuation and allocations;
- (4) completeness; and,
- (5) presentation and disclosure.

D. The internal control structure shall demonstrate that the County identifies applicable laws and regulations, and that procedures are designed to provide reasonable assurance that the County complies with those laws and regulations. Internal control procedures shall be established, implemented and documented through County correspondence, manuals, training, and other additional methods. Appropriate internal control procedures shall be adopted by the local board within a County to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all County transactions.

The SAS No. 112 Appendix lists the following circumstances as 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.

Effect: Because certain internal controls have weaknesses in design, key controls are not in place to properly safeguard assets and prevent or detect material misstatements due to errors or fraud.

Cause: The County has not performed a recent risk assessment for those key controls in place to prevent and detect errors or fraud.

Auditors' Recommendations: The County should ensure that a comprehensive internal control structure over financial information is designed, documented, and implemented. Management should follow and ensure that all staff follows the County's documented internal control procedures. The County Commission is charged with governance and 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 2009-01- Entity-Wide Control Deficiency

Condition: During our process of understanding the entity and its environment, we noted instances where elements of the framework of COSO were nonexistent or deficient. The control environment or "tone at the top" did not adequately display accountability and transparency. We noted that the risk assessment element and monitoring element were not documented or sufficiently designed. We also noted the following deficiency:

- Material weaknesses, such as property tax receivable and capital assets have been repeated year after year

Criteria: The Committee of Sponsoring Organizations (COSO) internal control integrated framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring.

FS 2009-01- Entity-Wide Control Deficiency (Continued)

Effect: Without all of the five elements of the COSO framework present, the County is exposing itself to the risk of misappropriation of assets and does not have set processes in place to maximize the resources of the County.

Cause: The County has not implemented a corrective action plan to properly address material weaknesses.

Auditors' Recommendations: We recommend that the County incorporate the five elements of the COSO internal control integrated framework in their organization. In particular, there must be a documented risk assessment process in place, there should be a mechanism in place to document the monitoring of the internal controls in place and the control environment must promote the highest ethical standards and efficient and effective path towards achieving the County's goals. We recommend that internal controls be addressed at both the entity level and activity level. We also recommend that key management personnel attend a training class on internal control.

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 separate evaluations.

FS 2008-02 — Stale Dated Checks

Condition: The County has 50 stale dated checks on its bank reconciliations totaling \$10,531 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 has not reviewed the outstanding check listing in a timely manner.

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.

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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 (Fund 402)	\$ 1,023,293	\$ 577,468	\$ 445,825
EMS Special Revenue Fund (Fund 417)	24,111	22,955	1,156
Solid Waste GRT Special Revenue Fund (Fund 446)	150,549	44,584	105,965
Traffic Safety Special Revenue Fund (Fund 465)	23,301	21,469	1,832
Title III-B Special Revenue Fund (Fund 493)	42,855	18,628	24,227
Title C-2 Special Revenue Fund (Fund 496)	207,605	15,601	192,004
Legislative Appropriation FY 09/10 Capital Projects Fund (Fund 441)	192,000	-	192,000

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 reason for these deficits is inadequate monitoring of cash available to be rebudgeted.

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’s Response: To correct this, the County plans to implement a process to consider a reasonable estimate of designated cash when budgets are established.

FS 2010-01 — Travel and Per Diem

Condition: During testwork we noted the following condition:

- 1 out of 5 transactions tested totaling \$2,822.59, was reimbursed at a higher rate for out of town meals than the allowable amount, resulting in an overpayment of \$10.00

Criteria: NMAC 6.20.2.19 requires the County to comply with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-4, for all per diem and reimbursement rates.

Effect: The County has overpaid monies for reimbursements using public funds.

Cause: The reimbursement amount for meals was overlooked and too much was reimbursed.

Auditors’ Recommendation: We recommend the County follow the Per Diem and Mileage Act when paying per diem and travel reimbursements.

Agency’s Response: The County will implement a policy that the Accounts Payable Clerk will review all Travel Vouchers to ascertain the appropriate reimbursement rate.

FS 2010-03 — Gas Inventory

Condition: During our audit of the County, we noted that there were no internal controls over gas inventory and no inventory of the gas pumps have been taken.

Criteria: NMAC 6.20.2.16 states that “Counties shall establish adequate internal accounting control procedures over inventory to be consistent with GAAP.”

Effect: This leads to increased risk of misappropriation and there was an actual instance where fuel was taken without authorization.

Cause: The County was unaware an annual inventory should be taken and proper internal controls were no in place over fuel.

Auditors’ Recommendation: We recommend the County take frequent and timely recordings of inventory, especially at year end.

Agency’s Response: The County will implement a policy requiring that all gasoline tanks will be inventoried and valued at the latest invoiced per gallon amount. This value will be included with the County Assets in accordance with GAAP.

FS 2010-04 – Expenditures in Excess of Budget

Condition: The County over expended its budget at the fund level in the following fund:

GRT- Regional Transit Special Revenue Fund (Fund 413)	\$	90,471
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Criteria: Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control.

Effect: As a result, the County is not in compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

Cause: The County overlooked budgeted to actual amounts in the above fund.

Auditors’ Recommendation: We recommend that the County monitor its budget closely and prepare budget adjustments as necessary.

Agency’s responses: This Regional Transit Fund was established in the FY10 fiscal year. Therefore, the County did not have any historical information. The Budgeted amount was an estimated amount, causing the expenditures to be more. When doing budget, Finance will budget a higher amount.

FS 2010-05 — Purchase Accepted That Did Not Meet Required Specifications

Condition: During our audit of the County, we noted a procurement violation in which the County accepted three sheriff’s vehicles when only two met the required specifications according to bid and purchase order documents. The amount of the vehicle not meeting requirements was \$30,095.

Criteria: According to compliance requirements of the “Law Enforcement Fund” Section 29-13-7 NMSA 1978, it states “repairs and purchases of law enforcement apparatus equipment must meet minimum nationally recognized standards” The vehicle in question accepted for purchase was lacking led sirens, siren controlled siren speakers, consoled cage, and a laptop stand.

Effect: The sheriff’s department is responsible for budgeting an additional amount of approximately \$5,000 to adhere to specifications required.

Cause: The County made the decision to accept a vehicle which did not meet requirements of “law enforcement apparatus” and correct the issue at a later date.

Auditors’ Recommendation: We recommend the County follow all procurement requirements and only accept purchases that meet all requirements.

FS 2010-05 — Purchase Accepted That Did Not Meet Required Specifications (Continued)

Agency's Response: The Valencia County Purchasing department did not accept the vehicle in question until the equipment was installed at no cost by the Sheriff's Department. The Finance Department voided the original check #104076, in the amount of \$90,885.00 for all (3) three vehicles and reissued check #104435 on July 22, 2010, for the (2) two vehicles which met the procurement standards. Check #104544 was not issued until August 4, 2010, after the Sheriff's Department meet all procurement requirements. The Valencia County purchasing department followed all proper purchasing procedures.

FS 2010-06 — Cash Deposits not Made Timely

Condition: During walkthrough procedures performed on randomly selected departments, it was noted the animal control department does not consistently receipt monies received in a timely manner and bring to the Treasurer's office for deposit.

Criteria: Good accounting practices require cash deposits to be made in a timely manner.

Effect: The department is not maintaining adequate controls over cash and increases the risk of misappropriation of assets.

Cause: Departments do not have procedures in place requiring staff to make deposits in a timely manner. In addition, supervisors are not overseeing the process.

Auditors' Recommendation: We recommend that the County establish policies and procedures for cash deposits from department receipting locations.

Agency's Response: The Animal Control believes that these deficiencies may be caused by weekend, off-site adoptions by volunteers. A person will be assigned the task for making the daily deposits .

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STATUS OF PRIOR YEAR FINDINGS:

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

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

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

FS 2007-16 — Capital Assets – Repeated

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

FS 2007-18 — Information Technology Controls – Resolved

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

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

FS 2009-01— COSO Framework Monitoring Deficiencies – Repeated and Modified

FS 2009-02— Employees Paid Accrued Leave in Excess of the Maximum Hours of Payout – Resolved

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

FS 2009-04— Annual Evaluations not Present in Personnel Files – Resolved

FS 2009-05— Lack of Authorization on Purchase Requisition – Resolved

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Valencia County
Other Disclosures
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OTHER DISCLOSURES

Exit Conference

An exit conference was conducted on November 12, 2010, with the following individuals:

Valencia County

Eric Zamora, County Manager
Bill Holliday, Commission Chairman
Wilma Abril, Finance Director
Diana Martinez-Coplen, Deputy Treasurer
Kendra Kaneshiro, Bookkeeper
Lucy Gonzales, Bookkeeper
Larry Trussel, Budget Analyst
Kenneth Griego, 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.