

Accounting & Consulting Group, LLP

Certified Public Accountants

STATE OF NEW MEXICO
VALENCIA COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011



STATE OF NEW MEXICO
VALENCIA COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2011

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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>
Georgia Otero-Kirkham		Chairman
Mary J. Andersen		Vice- Chairman
Lawrence R. Romero		Member
Ron Gentry		Member
Donald Holliday		Member
	<u>Elected Officials</u>	
Sally Perea		County Clerk
Dorothy L. Lovato		County Treasurer
Viola S. Garcia-Vallejos		County Assessor
Louis Burkhard		County Sheriff
Jaime J. Baca		County Probate Judge
	<u>Administrative Officials</u>	
Eric Zamora		County Manager
Wilma Abril		Finance Director

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 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, 2011, 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 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, 2011 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.

Except as discussed in the following paragraphs, 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, 2011 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.

As discussed in finding FS 2007-14, the County's cash balances allocated at the individual fund level did not reconcile with the control cash account for the governmental funds. As a result, there was no effective way to determine whether the cash balances at the fund level were materially correct. The amount by which allocation would affect the assets, fund balances, revenues and expenditures of the governmental funds is not reasonably 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, and proper allocation of cash balances at the individual fund level 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, 2011 and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, 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, and proper allocation of cash balances at the individual fund level 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, 2011, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, 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, and proper allocation of cash balances at the individual fund level the budget comparisons referred to above present fairly, in all material respects, the respective budgetary comparisons for the year then ended in conformity with the cash basis of accounting and more fully described in Note 2, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2011 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 of America 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 statements and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying financial information listed as Supporting Schedules I through V in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and each of the nonmajor governmental fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements and nonmajor governmental funds 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 10, 2011

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO

Valencia County
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 9,337,753
Investments	2,545,576
Receivables:	
Property taxes receivable, net	2,207,920
Due from other governments	1,560,688
Other receivables	14,498
Prepaid expenses	647,295
Inventory	<u>29,624</u>
Total current assets	<u>16,343,354</u>
Noncurrent assets	
Restricted cash and cash equivalents	285,834
Bond issuance costs (net of accumulated amortization of \$2,459)	56,958
Capital assets	72,735,998
Less: accumulated depreciation	<u>(30,019,394)</u>
Total noncurrent assets	<u>43,059,396</u>
Total assets	<u><u>\$ 59,402,750</u></u>

The accompanying notes are an integral part of these financial statements

	Governmental Activities
Liabilities	
Current Liabilities	
Accounts payable	\$ 321,445
Accrued payroll expenses	490,453
Accrued interest	41,172
Current portion of accrued compensated absences	342,571
Current portion of capital leases payable	28,387
Current portion of bonds and notes payable	757,870
	<hr/>
Total current liabilities	1,981,898
	<hr/>
Noncurrent liabilities	
Noncurrent portion of accrued compensated absences	69,393
Landfill liability	435,000
Capital leases payable	127,536
Bonds and notes payable	7,176,949
	<hr/>
Total noncurrent liabilities	7,808,878
	<hr/>
Total liabilities	9,790,776
	<hr/>
Net Assets	
Invested in capital assets, net of related debt	34,625,862
Restricted for	
Debt service	2,023,201
Capital projects	1,842,056
Other purposes-special revenue	6,234,237
Unrestricted	4,886,618
	<hr/>
Total net assets	49,611,974
	<hr/>
Total liabilities and net assets	\$ 59,402,750
	<hr/> <hr/>

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STATE OF NEW MEXICO
Valencia County
Statement of Activities
For the Year Ended June 30, 2011

Exhibit A-2

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
Primary Government					
General government	\$ 6,224,831	\$ 1,223,964	\$ 2,037,720	\$ 220,016	\$ (2,743,131)
Public safety	11,954,745	-	486,432	-	(11,468,313)
Public works	2,845,557	17,620	355,829	-	(2,472,108)
Culture and recreation	891,160	-	510,815	-	(380,345)
Health and welfare	857,638	-	86,987	-	(770,651)
Interest on long-term debt	214,642	-	-	-	(214,642)
<i>Total governmental activities</i>	<u>\$ 22,988,573</u>	<u>\$ 1,241,584</u>	<u>\$ 3,477,783</u>	<u>\$ 220,016</u>	<u>(18,049,190)</u>
General Revenue and Special Items:					
Taxes					
Property taxes, levied for general purposes					10,337,482
Property taxes, levied for debt service					922,396
Gross receipts taxes					6,890,690
Gasoline, motor vehicle and cigarette taxes					737,980
Investment income					9,057
Miscellaneous income					64,103
Special item - gain on return of capital lease					166,558
Total general revenues and special items					<u>19,128,266</u>
Change in net assets					<u>1,079,076</u>
Net assets, beginning					49,029,160
Net assets, restatement (note 19)					(496,262)
Net assets, restated					<u>48,532,898</u>
Net assets, ending					<u>\$ 49,611,974</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Valencia County
Balance Sheet
Governmental Funds
June 30, 2011

	<u>General Fund</u>	<u>Road</u>	<u>Adult Detention Center</u>
Assets			
Cash and cash equivalents	\$ 2,303,985	\$ 345,342	\$ -
Investments	1,535,815	-	-
Property taxes receivable, net	1,986,461	-	-
Due from other governments	286,182	113,668	74,631
Other receivables	10,356	-	-
Prepaid expenses	384,366	29,596	183,050
Inventory	-	29,624	-
Due from other funds	655,102	-	-
	<u>7,162,267</u>	<u>518,230</u>	<u>257,681</u>
<i>Total assets</i>	<u>\$ 7,162,267</u>	<u>\$ 518,230</u>	<u>\$ 257,681</u>
Liabilities and fund balances			
<i>Liabilities</i>			
Accounts payable	\$ 24,348	\$ 33,556	\$ 32,219
Accrued payroll expenses	267,161	55,613	90,053
Deferred revenue	1,730,157	-	-
Due to other funds	-	-	-
	<u>2,021,666</u>	<u>89,169</u>	<u>122,272</u>
<i>Total liabilities</i>	<u>2,021,666</u>	<u>89,169</u>	<u>122,272</u>
<i>Fund balances</i>			
Nonspendable			
Prepaid expenses	384,366	29,596	183,050
Inventory	-	29,624	-
Spendable			
Restricted for:			
General county operations	-	-	-
Maintenance of roads	-	91,962	-
Fire departments	-	-	-
Older American programs	-	-	-
Public safety	-	-	-
Healthcare	-	-	-
Recreation	-	-	-
Capital improvements and acquisitions	-	-	-
Debt service expenditures	-	-	-
Committed to:			
Minimum fund balance	2,143,549	277,879	-
Senior center	-	-	-
Unassigned	2,612,686	-	(47,641)
	<u>5,140,601</u>	<u>429,061</u>	<u>135,409</u>
<i>Total fund balances</i>	<u>5,140,601</u>	<u>429,061</u>	<u>135,409</u>
<i>Total liabilities and fund balances</i>	<u>\$ 7,162,267</u>	<u>\$ 518,230</u>	<u>\$ 257,681</u>

The accompanying notes are an integral part of these financial statements

County Indigent Claims	County Debt Service	Other Governmental Funds	Total
\$ 1,660,422	\$ 1,117,264	\$ 4,196,574	\$ 9,623,587
600,000	-	409,761	2,545,576
-	164,332	57,127	2,207,920
186,413	-	899,794	1,560,688
4,142	-	-	14,498
3,000	-	47,283	647,295
-	-	-	29,624
-	-	-	655,102
<u>\$ 2,453,977</u>	<u>\$ 1,281,596</u>	<u>\$ 5,610,539</u>	<u>\$ 17,284,290</u>
\$ 127,921	\$ -	\$ 103,401	\$ 321,445
2,465	-	75,161	490,453
-	145,392	50,127	1,925,676
-	-	655,102	655,102
<u>130,386</u>	<u>145,392</u>	<u>883,791</u>	<u>3,392,676</u>
3,000	-	47,283	647,295
-	-	-	29,624
-	-	874,434	874,434
-	-	186,307	278,269
-	-	48,323	48,323
-	-	82,941	82,941
-	-	2,003,569	2,003,569
2,320,591	-	-	2,320,591
-	-	98,846	98,846
-	-	1,247,626	1,247,626
-	1,136,204	699,214	1,835,418
-	-	-	2,421,428
-	-	8,803	8,803
-	-	(570,598)	1,994,447
<u>2,323,591</u>	<u>1,136,204</u>	<u>4,726,748</u>	<u>13,891,614</u>
<u>\$ 2,453,977</u>	<u>\$ 1,281,596</u>	<u>\$ 5,610,539</u>	<u>\$ 17,284,290</u>

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STATE OF NEW MEXICO

Valencia County

Reconciliation of the Balance Sheet to the Statement of Net Assets

Governmental Funds

June 30, 2011

Exhibit B-1

Page 2 of 2

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

Fund balances - total governmental funds	\$	13,891,614
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		42,716,604
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		1,925,676
Bond issuance costs, including original issue discounts and premiums are not current financial resources or obligations and, therefore, are not reported in the funds		
Bond issuance cost (net of amortization)		56,958
Accrued interest is not due and payable with current financial resources and, therefore, is not reported in the funds		(41,172)
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		(7,934,819)
Capital leases		(155,923)
Landfill liability		(435,000)
Compensated absences		(411,964)
		(8,937,706)
Net assets - governmental activities	\$	49,611,974

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, 2011

	<u>General Fund</u>	<u>Road</u>	<u>Adult Detention Center</u>
<i>Revenues</i>			
Taxes:			
Property	\$ 9,883,435	\$ -	\$ -
Gross receipts	1,037,039	-	-
Gasoline, motor vehicle and cigarette taxes	332,474	405,506	-
Intergovernmental:			
Federal operating grants	-	11,175	9,478
State operating grants	1,449,535	719,643	468,936
State capital grants	-	-	-
Charges for services	162,679	1,400	-
Licenses and fees	791,218	16,220	-
Investment income	3,840	-	-
Miscellaneous	24,900	6,684	399
<i>Total revenues</i>	<u>13,685,120</u>	<u>1,160,628</u>	<u>478,813</u>
<i>Expenditures</i>			
Current			
General government	4,004,577	-	-
Public safety	3,799,214	-	3,227,150
Public works	-	2,600,734	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	58,358	871,123	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	-	-
<i>Total expenditures</i>	<u>7,862,149</u>	<u>3,471,857</u>	<u>3,227,150</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,822,971</u>	<u>(2,311,229)</u>	<u>(2,748,337)</u>
<i>Other financing sources (uses)</i>			
Transfers in	1,505,948	2,299,717	2,782,224
Transfers out	(7,711,873)	-	-
Loan proceeds	-	-	-
Bond Proceeds	-	-	-
<i>Total other financing sources (uses)</i>	<u>(6,205,925)</u>	<u>2,299,717</u>	<u>2,782,224</u>
<i>Net change in fund balances</i>	(382,954)	(11,512)	33,887
<i>Fund balance - beginning of year</i>	5,523,555	440,573	101,522
<i>Restatement</i>	-	-	-
<i>Fund balance - restated</i>	<u>5,523,555</u>	<u>440,573</u>	<u>101,522</u>
<i>Fund balance - end of year</i>	<u>\$ 5,140,601</u>	<u>\$ 429,061</u>	<u>\$ 135,409</u>

The accompanying notes are an integral part of these financial statements

County Indigent Claims	County Debt Service	Other Governmental Funds	Total
\$ -	\$ 915,086	\$ 347,693	\$ 11,146,214
1,037,039	-	4,816,612	6,890,690
-	-	-	737,980
-	-	336,867	357,520
11,674	-	470,475	3,120,263
-	-	220,016	220,016
-	-	-	164,079
-	-	270,067	1,077,505
4,861	-	356	9,057
-	-	32,120	64,103
1,053,574	915,086	6,494,206	23,787,427
-	30,000	2,022,910	6,057,487
-	-	3,805,886	10,832,250
-	-	78,343	2,679,077
-	-	761,903	761,903
793,907	-	76,129	870,036
-	-	1,081,051	2,010,532
-	7,085,000	903,518	7,988,518
-	-	289,665	289,665
-	50,000	9,417	59,417
793,907	7,165,000	9,028,822	31,548,885
259,667	(6,249,914)	(2,534,616)	(7,761,458)
-	-	2,213,735	8,801,624
-	(863,280)	(226,471)	(8,801,624)
-	-	637,258	637,258
-	6,665,000	425,000	7,090,000
-	5,801,720	3,049,522	7,727,258
259,667	(448,194)	514,906	(34,200)
2,063,924	1,584,398	4,708,104	14,422,076
-	-	(496,262)	(496,262)
2,063,924	1,584,398	4,211,842	13,925,814
\$ 2,323,591	\$ 1,136,204	\$ 4,726,748	\$ 13,891,614

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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, 2011

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	\$	(34,200)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital assets reported as capital outlay expenditures		2,010,532
Depreciation expense		(2,269,376)

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.		166,558
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Change in deferred revenue related to property taxes receivable		113,664
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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:

Decrease in accrued compensated absences		25,728
Decrease in accrued interest		77,482
Increase in landfill liability		(229,530)
Decrease in landfill closure fine		900,000
Current year bond issuance costs		59,417
Amortization of bond issuance costs		(2,459)
Bond and loan proceeds		(7,727,258)
Principal payments on long-term debt		<u>7,988,518</u>

Change in net assets of governmental activities	\$	<u><u>1,079,076</u></u>
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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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ 9,779,927	\$ 9,779,927	\$ 9,858,443	\$ 78,516
Gross receipts	1,010,000	1,010,000	1,072,891	62,891
Gasoline and motor vehicle	310,706	310,706	328,007	17,301
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	1,293,500	1,293,500	1,449,535	156,035
State capital grants	-	-	-	-
Charges for services	744,475	744,475	801,226	56,751
Licenses and fees	136,193	136,193	154,157	17,964
Investment income	98,083	98,083	(6,516)	(104,599)
Miscellaneous	-	-	11,119	11,119
<i>Total revenues</i>	<u>13,372,884</u>	<u>13,372,884</u>	<u>13,668,862</u>	<u>295,978</u>
<i>Expenditures:</i>				
Current:				
General government	4,416,327	4,424,349	4,024,726	399,623
Public safety	4,270,427	4,032,871	3,812,269	220,602
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	114,000	105,000	94,330	10,670
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,800,754</u>	<u>8,562,220</u>	<u>7,931,325</u>	<u>630,895</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,572,130</u>	<u>4,810,664</u>	<u>5,737,537</u>	<u>926,873</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,143,577	905,043	-	(905,043)
Transfers in	-	-	1,505,948	1,505,948
Transfers out	(5,715,707)	(5,715,707)	(7,711,873)	(1,996,166)
<i>Total other financing sources (uses)</i>	<u>(4,572,130)</u>	<u>(4,810,664)</u>	<u>(6,205,925)</u>	<u>(1,395,261)</u>
<i>Net change in fund balance</i>	-	-	(468,388)	(468,388)
<i>Fund balance - beginning of year</i>	-	-	4,963,290	4,963,290
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,494,902</u>	<u>\$ 4,494,902</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (468,388)
Adjustments to revenues for state grant and miscellaneous income accruals				16,258
Adjustments to expenditures for salaries, general materials and supplies, and insurance accruals				69,176
Net change in fund balance (GAAP Basis)				<u>\$ (382,954)</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	406,000	406,000	406,645	645
Intergovernmental:				
Federal operating grants	12,000	12,000	11,175	(825)
State operating grants	594,654	634,454	640,566	6,112
State capital grants	-	-	-	-
Charges for services	40,000	40,000	16,220	(23,780)
Licenses and fees	-	-	1,400	1,400
Investment income	-	-	-	-
Miscellaneous	-	-	6,684	6,684
<i>Total revenues</i>	<u>1,052,654</u>	<u>1,092,454</u>	<u>1,082,690</u>	<u>(9,764)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	3,195,276	3,172,507	2,712,548	459,959
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,040,631	1,040,631	760,945	279,686
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,235,907</u>	<u>4,213,138</u>	<u>3,473,493</u>	<u>739,645</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,183,253)</u>	<u>(3,120,684)</u>	<u>(2,390,803)</u>	<u>729,881</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	338,972	276,403	-	(276,403)
Transfers in	2,844,281	2,844,281	2,299,717	(544,564)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,183,253</u>	<u>3,120,684</u>	<u>2,299,717</u>	<u>(820,967)</u>
<i>Net change in fund balance</i>	-	-	(91,086)	(91,086)
<i>Fund balance - beginning of year</i>	-	-	436,428	436,428
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 345,342</u>	<u>\$ 345,342</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (91,086)
Adjustments to revenues for gasoline and motor vehicle taxes accruals				77,938
Adjustments to expenditures for salaries, general materials and supplies, and insurance accruals				1,636
Net change in fund balance (GAAP Basis)				<u>\$ (11,512)</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	9,478	9,478
State operating grants	560,000	645,000	488,662	(156,338)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	399	399
<i>Total revenues</i>	<u>560,000</u>	<u>645,000</u>	<u>498,539</u>	<u>(146,461)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	3,273,569	3,577,062	3,281,371	295,691
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,273,569</u>	<u>3,577,062</u>	<u>3,281,371</u>	<u>295,691</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,713,569)</u>	<u>(2,932,062)</u>	<u>(2,782,832)</u>	<u>149,230</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	319,515	538,008	-	(538,008)
Transfers in	2,394,054	2,394,054	2,782,224	388,170
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,713,569</u>	<u>2,932,062</u>	<u>2,782,224</u>	<u>(149,838)</u>
<i>Net change in fund balance</i>	-	-	(608)	(608)
<i>Fund balance - beginning of year</i>	-	-	608	608
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (608)
Adjustments to revenues for state operating grant accruals				(19,726)
Adjustments to expenditures for salaries and care of inmates accruals				54,221
Net change in fund balance (GAAP Basis)				<u>\$ 33,887</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-4

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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	946,722	946,722	1,072,891	126,169
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	13,000	13,000	11,674	(1,326)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	12,000	12,000	719	(11,281)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>971,722</u>	<u>971,722</u>	<u>1,085,284</u>	<u>113,562</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,441,962	1,444,573	745,627	698,946
Capital outlay	4,759	2,059	3,718	(1,659)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,446,721</u>	<u>1,446,632</u>	<u>749,345</u>	<u>697,287</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(474,999)</u>	<u>(474,910)</u>	<u>335,939</u>	<u>810,849</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	474,999	474,910	-	(474,910)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>474,999</u>	<u>474,910</u>	<u>-</u>	<u>(474,910)</u>
<i>Net change in fund balance</i>	-	-	335,939	335,939
<i>Fund balance - beginning of year</i>	-	-	1,924,483	1,924,483
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,260,422</u>	<u>\$ 2,260,422</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 335,939
Adjustments to revenues made for gross receipts taxes and miscellaneous income accruals				(31,710)
Adjustments to expenditures for salaries and indigent claims accruals				(44,562)
Net change in fund balance (GAAP Basis)				<u>\$ 259,667</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Valencia County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2011

Exhibit D-1

Assets

Cash and cash equivalents	\$ 12,754,393
Property taxes receivable	<u>5,121,585</u>
<i>Total assets</i>	<u><u>\$ 17,875,978</u></u>

Liabilities

Deposits held in trust for others	\$ 324,509
Deposits held in trust for hospital levy	11,514,772
Deposits held in trust for other taxing entities	915,112
Due to other taxing entities	<u>5,121,585</u>
<i>Total liabilities</i>	<u><u>\$ 17,875,978</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, 2011

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, 2011

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, 2011

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.

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

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the County's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the County's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of County facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as 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.

Under the requirements of GASB Statement No. 34, the County is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following, which includes funds that were not required to be presented as major but were at the discretion of management:

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.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

Additionally, the government reports the following agency fund:

Fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies. The agency fund is used to account for collection and disbursement of inmate funds for the Valencia County Detention Center. In addition, the agency fund will track and account for items held for Valencia County hospital that has been levying taxes from taxpayers.

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.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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, 2011, along with applicable PERA, FICA, Retiree Health Care contributions, and Medicare payable.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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, 2011. 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 Balance Classification Policies and Procedures: For committed fund balance, the County's highest level of decision-making authority is the County Commission. The formal action that is required to be taken to establish a fund balance commitment is the County Commission.

For assigned fund balance, the County Commission or an official or body to which the County Commission delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 1. Summary of Significant Accounting Policies (continued)

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

For the classification of fund balances, the County considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the County considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Nonspendable Fund Balance: At June 30, 2011, the nonspendable fund balances in the funds are made up of inventory in the amount of \$29,624 and prepaid expenses in the amount of \$647,295 that are not in spendable form.

Restricted and Committed Fund Balance: At June 30, 2011, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$8,790,017 for various County operations as restricted by enabling legislation. The County has also presented committed fund balance on the governmental funds balance sheet in the amount of \$2,430,231 in order to provide services throughout the County. The details of these fund balance items are located on the governmental funds balance sheet on pages 16-17.

Minimum Fund Balance Policy: The County's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 3/12th the General Fund expenditures and cash reserve of 1/12th the Road Special Revenue Fund.

Net Assets: 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 the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net assets restricted for "special revenue, debt service, and capital projects" are described on pages 30-31 and 76-85.
- c. Unrestricted Net Assets: All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

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

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.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

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	\$ 4,572,130	\$ 4,810,664
Road Special Revenue Fund	\$ (3,183,253)	\$ (3,120,684)
Adult Detention Center Special Revenue Fund	\$ (2,713,569)	\$ (2,932,062)
County Indigent Claims Special Revenue Fund	\$ (474,999)	\$ (474,910)
County Debt Service Fund	\$ -	\$ -
Nonmajor Funds	\$ (3,653,426)	\$ (5,074,866)

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, perspective, equity and timing differences in the net change in fund balances is presented for the year ended June 30, 2011. 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, 2011.

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 financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 3. Deposits and Investments (continued)

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 (FDIC), public unit deposits are funds owned by the public unit. Under the Transaction Account Guarantee Program (TAGP) in effect from July 1, 2010 to December 31, 2010, time deposits, savings deposits and interest bearing negotiable order of withdrawal (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 TAGP program expired on December 31, 2010. On November 9, 2010, the FDIC Board of Directors issued a final rule to implement the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides temporary unlimited coverage for noninterest-bearing transaction accounts in all FDIC-insured depository institutions. The separate coverage on noninterest-bearing transaction accounts became effective on December 31, 2010 and will terminate on December 31, 2012. From December 31, 2010 to July 20, 2011 accounts held by an official custodian for a government unit are insured as follows:

- Up to \$250,000 for the combined total of all time and savings deposits (including NOW accounts), and
- Unlimited coverage for noninterest-bearing transaction (demand deposit) accounts

Through July 20, 2011, there is no difference in deposit insurance coverage when an official custodian deposits money in-state or out-of-state.

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, 2011, \$25,047,265 of the County’s deposits of \$25,873,046 were exposed to custodial credit risk, \$18,264,648 was uninsured and collateralized by collateral held by the pledging bank’s department or agent, not in the County’s name, and \$6,782,617 was uninsured and uncollateralized.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 3. Deposits and Investments (continued)

	Bank of the West	Wells Fargo	First Community Bank
Amount of deposits	\$ 19,260,099	\$ 73,017	\$ 2,764
FDIC Coverage	(250,000)	(73,017)	(2,764)
Total uninsured public funds	19,010,099	-	-
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	12,227,482	-	-
Uninsured and uncollateralized	\$ 6,782,617	\$ -	\$ -
Collateral requirement (50% of uninsured funds)	\$ 9,505,050	\$ -	\$ -
Pledged Collateral	12,227,482	-	-
Over (Under) collateralized	\$ 2,722,432	\$ -	\$ -
	NM Bank & Trust	My Bank	Total
Amount of deposits	\$ 4,437,166	\$ 2,100,000	\$ 25,873,046
FDIC Coverage	(250,000)	(250,000)	(825,781)
Total uninsured public funds	4,187,166	1,850,000	25,047,265
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	4,187,166	1,850,000	18,264,648
Uninsured and uncollateralized	\$ -	\$ -	\$ 6,782,617
Collateral requirement (50% of uninsured funds)	\$ 2,093,583	\$ 925,000	\$ 12,523,633
Pledged Collateral	4,305,448	2,150,000	18,682,930
Over (Under) collateralized	\$ 2,211,865	\$ 1,225,000	\$ 6,159,297

The collateral pledged is listed on Schedule I of this report. The types of collateral are limited to direct obligations of the United States Government and all bonds issued by any agency, district, or political subdivision of the State of New Mexico.

Credit Risk

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 LGIP's investments are monitored by the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

As of June 30, 2011, the County's investment in the State Treasurer Local Government Investment Pool – Reserve Contingency Fund was unrated.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 3. Deposits and Investments (continued)

As of June 30, 2011, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>WAM</u>
New MexiGROW LGIP	AAAm	\$ 30,033	36 days
Reserve Contingency Fund	Unrated	\$ 5,782	Does not earn interest
U.S. Treasury Money Market Mutual Fund	N/C	\$ 695,596	< 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	\$ 9,337,753
Investments per Exhibit A-1	2,545,576
Restricted cash and cash equivalents per Exhibit A-1	285,834
Agency funds cash and cash equivalents per Exhibit D-1	<u>12,754,393</u>
Total	24,923,556
Add: outstanding checks	1,717,342
Less: deposits in transit	(36,441)
Less: LGIP Investments held with the State of New Mexico	(35,815)
Less: U.S. Treasury Money Market Mutual Funds	<u>(695,596)</u>
Bank balance of deposits	<u><u>\$ 25,873,046</u></u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 4. Receivables

The County has estimated approximately 28% or \$885,157 of property taxes receivable will not be collected. Other than this, all receivables are deemed to be 100% collectible.

Receivables as of June 30, 2011, are as follows:

	General	Road	Adult Detention Center	County Indigent Claims	County Debt Service	Total Nonmajor Funds	Total
Property taxes	\$ 2,782,835	\$ -	\$ -	\$ -	\$ 230,213	\$ 80,029	\$3,093,077
Due from other governments:							
State	286,182	113,668	74,631	186,413	-	899,794	1,560,688
Other receivables:	-	-	-	-	-	14,498	14,498
Allowance for doubtful accounts	(796,374)	-	-	-	(65,881)	(22,902)	(885,157)
Totals	\$ 2,272,643	\$ 113,668	\$ 74,631	\$ 186,413	\$ 164,332	\$ 971,419	\$3,783,106

In accordance with GASB Statement No. 33, revenues in the amount of \$1,925,676 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:

Governmental Funds:	Transfer In	Transfer Out
From General Fund to:	\$ 1,505,948	\$ 7,711,873
Road	2,299,717	-
Farm and Range	569	-
Recreation	21	-
Juvenile Detention	455,761	-
Adult Detention Center	2,782,224	-
Law Enforcement	64,338	-
Solid Waste GRT	326,795	-
Title C-1	58,066	-
Title C-2	185,254	-
Title III-B	33,180	-
From Fire Excise Tax:	-	226,471
EMS	1,425	-
Fire Protection	57,691	-
Fire Excise Tax	167,355	-
From County Debt Service to:	-	863,280
Bonds/Judicial Renovation	863,280	-
	\$ 8,801,624	\$ 8,801,624

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

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

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

The composition of interfund balances as of June 30, 2011 is as follows:

	Due From Other Funds	Due to Other Funds
Governmental Funds		
General Fund	\$ 655,102	\$ -
Farm and Range	-	1,272
Legislative Appropriation FY 03/04	-	103,771
Legislative Appropriation FY 04/05	-	104,221
Legislative Appropriation FY 06/07	-	288,270
Wildlife Fire Reimbursement	-	4,522
Legislative Appropriation FY 07/08	-	26,679
Legislative Appropriation FY 08/09	-	5,731
CDBG	-	10,622
Legislative Appropriation FY 09/10	-	97,334
Cash in Lieu	-	12,680

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, 2011 follows. Land and construction in progress are not subject to depreciation.

Government Activities:	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets not being depreciated:				
Land	\$ 3,679,297	\$ -	\$ -	\$ 3,679,297
Construction in progress	11,948,466	547,053	-	12,495,519
Total capital assets not being depreciated	15,627,763	547,053	-	16,174,816
Capital assets being depreciated:				
Buildings and improvements	20,279,468	117,388	-	20,396,856
Equipment	19,922,011	478,605	353,380	20,047,236
Infrastructure	15,249,604	867,486	-	16,117,090
Total capital assets being depreciated	55,451,083	1,463,479	353,380	56,561,182
Less accumulated depreciation:				
Buildings and improvements	10,704,831	1,156,346	-	11,861,177
Equipment	10,271,981	936,138	256,621	10,951,498
Infrastructure	7,029,827	176,892	-	7,206,719
Total accumulated depreciation	28,006,639	2,269,376	256,621	30,019,394
Total capital assets, net of depreciation	\$ 43,072,207	\$ (258,844)	\$ 96,759	\$ 42,716,604

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 6. Capital Assets (continued)

Depreciation expense for the year ended June 30, 2011 was charged to the following functions:

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

NOTE 7. Long-term Debt

During the year ended June 30, 2011, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	Balance June 30, 2010	Additions	Deletions	Adjustments	Balance June 30, 2011	Due Within One Year
Governmental activities						
Bonds:						
GO Bonds - Series 2004 - Judicial Complex	\$ 7,685,000	\$ -	\$ 7,685,000	\$ -	\$ -	\$ -
GO Bonds - Series 2011 - Judicial Complex	-	6,665,000	-	-	6,665,000	685,000
GO Bonds - Series 2011- Public Safety Bonds	-	425,000	-	-	425,000	-
Subtotal bonds	<u>7,685,000</u>	<u>7,090,000</u>	<u>7,685,000</u>	<u>-</u>	<u>7,090,000</u>	<u>685,000</u>
NMFA loans:						
Tome Adelino Fire Department	71,228	-	71,228	-	-	-
El Cerro Volunteer Fire Department	106,636	-	106,636	-	-	-
Los Chavez Fire Department	45,495	-	45,495	-	-	-
Meadow Lake Fire Department	124,545	-	32,233	-	92,312	32,754
Highland Meadow Pumper	127,697	-	12,448	-	115,249	12,801
Fire/EMS Response Truck	-	293,496	-	-	293,496	27,315
Tome Adelino Fire Department	-	343,762	-	-	343,762	-
Subtotal NMFA loans	<u>475,601</u>	<u>637,258</u>	<u>268,040</u>	<u>-</u>	<u>844,819</u>	<u>72,870</u>
Capital leases:						
John Deere Credit - 2 Graders	271,969	-	8,652	263,317	-	-
Key Government Finance Inc.	35,481	-	13,234	-	22,247	14,061
John Deere Motor Grader	147,268	-	13,592	-	133,676	14,326
Subtotal Capital leases	<u>454,718</u>	<u>-</u>	<u>35,478</u>	<u>263,317</u>	<u>155,923</u>	<u>28,387</u>
Accrued compensated absences	<u>437,692</u>	<u>316,843</u>	<u>342,571</u>	<u>-</u>	<u>411,964</u>	<u>342,571</u>
Total	<u>\$ 9,053,011</u>	<u>\$ 8,044,101</u>	<u>\$ 8,331,089</u>	<u>\$ 263,317</u>	<u>\$ 8,502,706</u>	<u>\$ 1,128,828</u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

Bonds Payable

On September March 11, 2011, voters of the County authorized the issuance of \$6,665,000 General Obligation Judicial Complex Bonds at a special election held within the County. The bonds were issued in the amount of \$6,665,000 and sold to the New Mexico Finance Authority for 100% of the principal with an interest rate of 0.630% to 2.760%. Payments are due annually on August 1. The bond repayment ends in 2018.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$ 685,000	\$ 100,106	\$ 785,106
2013	750,000	107,507	857,507
2014	785,000	99,807	884,807
2015	810,000	89,500	899,500
2016	890,000	75,836	965,836
2017-2018	<u>2,745,000</u>	<u>108,310</u>	<u>2,853,310</u>
	<u>\$ 6,665,000</u>	<u>\$ 581,066</u>	<u>\$ 7,246,066</u>

On June 3, 2011, voters of the County authorized the issuance of \$425,000 General Obligation Public Safety bonds at a special election held within the County. The bonds were issued in the amount of \$425,000 and sold to the New Mexico Finance Authority for 100% of the principal with an interest rate of 2.39%. Payments are due semi-annually on May 1 and November 1. The bond repayment ends in 2018.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$ -	\$ 5,814	\$ 5,814
2013	50,000	8,565	58,565
2014	55,000	7,996	62,996
2015	60,000	7,171	67,171
2016	60,000	6,075	66,075
2017-2018	<u>200,000</u>	<u>8,826</u>	<u>208,826</u>
	<u>\$ 425,000</u>	<u>\$ 44,447</u>	<u>\$ 469,447</u>

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 7. Long-term Debt (continued)

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.

Description	Date of Issue	Term	Interest Rate	Original amount of issue	Balance June 30, 2011
Construction Phase II Addition MLFD	August 27, 2007	August 27, 2018	1.52%	\$ 333,334	\$ 92,312
Highland Meadow Pumper	September 17, 2008	September 17, 2019	3.47%	137,025	115,249
Equipment Fire/EMS Response Truck	May 13, 2011	May 1, 2021	2.75%	293,496	293,496
Tome Adelino Fire Department-Fire Pumper	June 10, 2011	May 1, 2022	2.64%	343,762	343,762
Total of NMFA loans					<u><u>\$ 844,819</u></u>

The annual requirements to amortize the NMFA Revenue Notes as of June 30, 2011, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 72,870	\$ 12,152	\$ 85,022
2013	105,763	26,428	132,191
2014	99,690	17,906	117,596
2015	74,641	16,210	90,851
2016	76,147	14,314	90,461
2017-2021	377,558	40,472	418,030
2022	38,150	1,143	39,293
	<u><u>\$ 844,819</u></u>	<u><u>\$ 128,625</u></u>	<u><u>\$ 973,444</u></u>

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NOTE 7. Long-term Debt (continued)

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, 2011
Key Government Finance, Inc.	January 17, 2008	January 17, 2013	4.83%	\$ 66,848	\$ 22,247
John Deere Credit-Motor Grader	December 4, 2007	January 1, 2013	5.25%	178,290	<u>133,676</u>
Total capital leases					<u>\$ 155,923</u>

During the year ended June 30, 2011, the County 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 \$166,558.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 28,387	\$ 7,419	\$ 35,806
2013	<u>127,536</u>	<u>3,673</u>	<u>131,209</u>
	<u>\$ 155,923</u>	<u>\$ 11,092</u>	<u>\$ 167,015</u>

Operating Leases

The County leases equipment under a cancelable operating leases. Total costs for such leases were approximately \$44,190 for the year ended June 30, 2011. The future minimum lease payments for these leases are as follows:

Fiscal Year Ending June 30,	Payment
2012	\$ 53,436
2013	53,436
2014	53,436
2015	35,964
2016	9,246

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, 2011, compensated absences decreased \$25,728 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.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

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, 2011, 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 \$435,000 as of June 30, 2011, which was a increase of \$229,530 from the prior year's estimate. Total amount paid by the County for closure and postclosure costs during the year ended June 30, 2011 was \$328,175. These estimates change due to inflation or deflation, changes in technology, and applicable laws or regulations.

The County has approved \$69,368 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.

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, 2011:

Farm and Range Special Revenue Fund	\$ 1,272
Wildlife Fire Reimbursement Fund	4,991
Juvenile Detention Special Revenue Fund	15,212
CDBG Special Revenue Fund	10,622
Cash in Lieu Special Revenue Fund	9,688
Legislative Appropriation 03/04 Capital Projects Fund	103,771
Legislative Appropriation 04/05 Capital Projects Fund	104,221
Legislative Appropriation 06/07 Capital Projects Fund	288,270
Legislative Appropriation 07/08 Capital Projects Fund	<u>26,679</u>
Total	<u><u>\$ 564,726</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.

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 10. Other Required Individual Fund Disclosures (continued)

B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2011:

Farm and Range Special Revenue Fund	\$ 938
Juvenile Detention Special Revenue Fund	874
GRT- Regional Transit Special Revenue Fund	150,305
Older American Special Revenue Fund	266
EMS Special Revenue Fund	20
EMS- GRT Special Revenue Fund	37,788
Sheriff's GRT Special Revenue Fund	7,868
Fire GRT Special Revenue Fund	10,010
Cash in Lieu Special Revenue Fund	12,434
Meadow Lake Fire Department Debt Service Fund	80
Highland Meadow Fire Department Debt Service Fund	4
County Debt Service Fund	7,165,000

The County plans to monitor more closely and make required adjustments.

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, 2011:

	Designated Cash	Beginning Year Cash & AR Available	Cash Appropriation in excess of available
Law Enforcement Special Revenue Fund	\$ 42,739	\$ 16,192	\$ 26,547
Adult Detention Center Special Revenue Fund	538,008	94,965	443,043
Legislative Appropriation FY 03/04 Capital Projects Fund	5,554	-	5,554
Legislative Appropriation FY 07/08 Capital Projects Fund	62,793	22,400	40,393
Legislative Appropriation FY 08/09 Capital Projects Fund	752,021	20,516	731,505
Legislative Appropriation FY 09/10 Capital Projects Fund	150,000	-	150,000

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. Pension Plan- Public Employees Retirement Association

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.

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NOTE 11. Pension Plan- Public Employees Retirement Association (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: 27.80% for law enforcement and fire protection plan members; and 12.15% 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, 2011, 2010, and 2009 were \$997,661, \$1,381,517, and \$988,517, respectively, which equal the amount of the required contributions for each fiscal year.

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, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

(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>
FY12	1.834%	.917%
FY13	2.000%	1.000%

STATE OF NEW MEXICO
Valencia County
Notes to Financial Statements
June 30, 2011

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

(2) For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4, and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2011, that statute required each participating employer to contribute 2.084% of each participating employee’s annual salary, and each participating employee was required to contribute 1.042% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for both employees will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
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, 2011, 2010, and 2009 were \$113,247, \$84,871, and \$83,883, 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 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 in December 2005 and are effective until December 2011. 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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June 30, 2011

NOTE 14. Commitments

The County's commitments on construction projects at June 30, 2011 are as follows:

Renovation of Del Rio Community Center	\$	380,362
Railroad Quiet Zones		113,715
Renovate Fred Luna Senior Center		41,394

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. On November 30, 2010, the parties engaged in settlement discussions have agreed in a compromise and settlement of all violations that the County shall pay New Mexico Environment Department \$50,000. The payment was due within thirty days of the settlement. The County has paid in full the entire \$50,000 by June 30, 2011, therefore the landfill liability of \$900,000 that was recorded in previous years has been satisfied.

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. Concentrations

The County depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the County is subject to changes in the specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

NOTE 18. Net Assets

In the Statement of Net Assets \$10,099,494 of net assets is reported as restricted, of which \$8,076,293 is restricted by enabling legislation.

NOTE 19. Restatement

Reimbursement basis funds have been restated due to non payment for appropriated funds from the State of New Mexico. In the prior year, accounts receivable balances were overstated due to managements understanding that reimbursable funds would be received. During the year end 2011, the County has received communication from the State of New Mexico that the funds will not be received due to lapse of time.

NOTE 20. Subsequent Events

LGIP Investment in the Reserve Primary Fund

The New Mexico State Treasurer's Office invested a portion of the LGIP in The Reserve Primary Fund ("the Fund"), a money market fund, in fiscal years 2006, 2007, 2008 and 2009. On September 15, 2008, the balance of the LGIP's investment in the Fund was \$381.7 million. On September 16, 2008, The Reserve Primary Fund's net asset value fell below \$1.00 and holdings in the Fund were frozen.

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 have been no additional distributions in the past year.

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Valencia County
Notes to Financial Statements
June 30, 2011

NOTE 20. Subsequent Events (Continued)

The New Mexico State Treasurer's Office believes that there may be additional distributions. Uncertainty remains, however, as to the timing and amounts of these distributions. Effective November 24, 2010, all remaining assets were transferred to a liquidating services agent, Crederian Fund Services LLC.

The date to which events occurring after June 30, 2011, the date of the most recent statement of net assets, have been evaluated for possible adjustment to the financial statements or disclosures is November 10, 2011 which is the date on which the financial statements were issued.

NOTE 21. Subsequent Pronouncements

In November 2010, GASB Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements*, Effective Date: For financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The County is still evaluating the possible effects of this standard.

In November 2010, GASB Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged. The standard is expected to have no effect on the County in upcoming years.

In December 2010, GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, Effective Date: The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The County will implement this standard during fiscal year June 30, 2013.

In June 2011, GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* Effective Date: The provisions of Statement 63 are effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the County in upcoming years.

In June 2011, GASB Statement No. 64 *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53* Effective Date: The provisions of Statement 64 are effective for financial statements for periods beginning after June 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the County in upcoming years.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
June 30, 2011

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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Valencia County
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June 30, 2011

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.

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
June 30, 2011

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.

450 – Legislative Appropriation FY 10/11 – This fund was created under authority of the county commission to account for appropriations to Valencia County for year 2010/2011 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.

499 –Bond/Public Safety/E-911 Facility – This fund was created under authority of the county commission to account for the tracking of debt payments for the general obligation bond series 2011 passed for public safety.

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

	Special Revenue			
	Farm and Range	Recreation	Juvenile Detention	GRT- Regional Transit
Assets				
Cash and cash equivalents	\$ -	\$ 4,299	\$ -	\$ -
Investments	-	-	-	-
Property taxes receivable, net	-	-	-	-
Due from other governments	-	11,628	19,078	136,695
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	\$ -	\$ 15,927	\$ 19,078	\$ 136,695
Liabilities and fund balances				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ 34,290	\$ -
Accrued payroll expenses	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	1,272	-	-	-
<i>Total liabilities</i>	1,272	-	34,290	-
<i>Fund balances</i>				
Nonspendable				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	136,695
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Older American programs	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Recreation	-	15,927	-	-
Capital improvements and acquisitions	-	-	-	-
Debt service expenditures	-	-	-	-
Committed to:				
Senior center	-	-	-	-
Unassigned	(1,272)	-	(15,212)	-
<i>Total fund balances</i>	(1,272)	15,927	(15,212)	136,695
<i>Total liabilities and fund balances</i>	\$ -	\$ 15,927	\$ 19,078	\$ 136,695

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
\$ 33,138	\$ 422,151	\$ 10,926	\$ -	\$ 1,652	\$ 476,803
-	181,446	-	-	-	-
-	-	-	-	-	57,127
1,945	-	-	-	-	-
-	-	-	-	-	-
-	30,250	-	-	-	5,613
-	-	-	-	-	-
<u>\$ 35,083</u>	<u>\$ 633,847</u>	<u>\$ 10,926</u>	<u>\$ -</u>	<u>\$ 1,652</u>	<u>\$ 539,543</u>
\$ 3,683	\$ 3,209	\$ 378	\$ -	\$ -	\$ 1,984
22,597	-	-	469	-	10,881
-	-	-	-	-	50,127
-	-	-	4,522	-	-
<u>26,280</u>	<u>3,209</u>	<u>378</u>	<u>4,991</u>	<u>-</u>	<u>62,992</u>
-	30,250	-	-	-	5,613
-	-	-	-	-	-
-	-	-	-	1,652	470,938
-	-	-	-	-	-
-	-	-	-	-	-
-	600,388	10,548	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,803	-	-	-	-	-
-	-	-	(4,991)	-	-
<u>8,803</u>	<u>630,638</u>	<u>10,548</u>	<u>(4,991)</u>	<u>1,652</u>	<u>476,551</u>
<u>\$ 35,083</u>	<u>\$ 633,847</u>	<u>\$ 10,926</u>	<u>\$ -</u>	<u>\$ 1,652</u>	<u>\$ 539,543</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

	Special Revenue			
	Fire Excise Tax	Law Enforcement	EMS-GRT	Tome Adelino Community Center
Assets				
Cash and cash equivalents	\$ 524,440	\$ 328	\$ 139,069	\$ 82,919
Investments	197,533	-	-	-
Property taxes receivable, net	-	-	-	-
Due from other governments	41,179	-	273,390	-
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 763,152</u>	<u>\$ 328</u>	<u>\$ 412,459</u>	<u>\$ 82,919</u>
Liabilities and fund balances				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ 4,545	\$ -	\$ -	\$ -
Accrued payroll expenses	-	-	15,424	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>4,545</u>	<u>-</u>	<u>15,424</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Older American programs	-	-	-	-
Public safety	758,607	328	397,035	-
Healthcare	-	-	-	-
Recreation	-	-	-	82,919
Capital improvements and acquisitions	-	-	-	-
Debt service expenditures	-	-	-	-
Committed to:				
Senior center	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>758,607</u>	<u>328</u>	<u>397,035</u>	<u>82,919</u>
<i>Total liabilities and fund balances</i>	<u>\$ 763,152</u>	<u>\$ 328</u>	<u>\$ 412,459</u>	<u>\$ 82,919</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	Clerk's Equipment
\$ -	\$ 840	\$ 10	\$ 12,500	\$ 1,411	\$ 234,294
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	34,200	-
-	-	-	-	-	-
-	-	-	-	11,420	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 840</u>	<u>\$ 10</u>	<u>\$ 12,500</u>	<u>\$ 47,031</u>	<u>\$ 234,294</u>
\$ -	\$ -	\$ -	\$ -	\$ 29,218	\$ -
-	-	-	-	12,265	-
-	-	-	-	-	-
10,622	-	-	-	-	-
<u>10,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,483</u>	<u>-</u>
-	-	-	-	11,420	-
-	-	-	-	-	-
-	-	-	12,500	-	234,294
-	-	-	-	-	-
-	-	-	-	-	-
-	840	10	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(10,622)	-	-	-	-	-
<u>(10,622)</u>	<u>840</u>	<u>10</u>	<u>12,500</u>	<u>5,548</u>	<u>234,294</u>
<u>\$ -</u>	<u>\$ 840</u>	<u>\$ 10</u>	<u>\$ 12,500</u>	<u>\$ 47,031</u>	<u>\$ 234,294</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

	Special Revenue			
	Department of Justice Assistance Programs	Special Revenue Bond	Sheriff's GRT	Road GRT
Assets				
Cash and cash equivalents	\$ 7,215	\$ 14,855	\$ 117,810	\$ 131,344
Investments	-	-	-	-
Property taxes receivable, net	-	-	-	-
Due from other governments	-	-	133,597	27,962
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	\$ 7,215	\$ 14,855	\$ 251,407	\$ 159,306
Liabilities and fund balances				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ 11,545	\$ 73
Accrued payroll expenses	-	-	11,264	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	-	-	22,809	73
<i>Fund balances</i>				
Nonspendable				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	14,855	-	-
Maintenance of roads	-	-	-	159,233
Fire departments	-	-	-	-
Older American programs	-	-	-	-
Public safety	7,215	-	228,598	-
Healthcare	-	-	-	-
Recreation	-	-	-	-
Capital improvements and acquisitions	-	-	-	-
Debt service expenditures	-	-	-	-
Committed to:				
Senior center	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	7,215	14,855	228,598	159,233
<i>Total liabilities and fund balances</i>	\$ 7,215	\$ 14,855	\$ 251,407	\$ 159,306

The accompanying notes are an integral part of these financial statements

Special Revenue

Fire GRT	Traffic Safety	Homeland Security	Title III-B	Title III-E	Title C-1
\$ 20,361	\$ 29,335	\$ 3,500	\$ 19,819	\$ 25	\$ 9,893
-	-	-	-	-	-
-	-	-	-	-	-
27,962	-	-	5,019	-	14,106
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 48,323</u>	<u>\$ 29,335</u>	<u>\$ 3,500</u>	<u>\$ 24,838</u>	<u>\$ 25</u>	<u>\$ 23,999</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	2,261	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,261	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,500	-	-	-
-	27,074	-	-	-	-
48,323	-	-	-	-	-
-	-	-	24,838	25	23,999
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>48,323</u>	<u>27,074</u>	<u>3,500</u>	<u>24,838</u>	<u>25</u>	<u>23,999</u>
<u>\$ 48,323</u>	<u>\$ 29,335</u>	<u>\$ 3,500</u>	<u>\$ 24,838</u>	<u>\$ 25</u>	<u>\$ 23,999</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

	Special Revenue		Capital Projects	
	Title C-2	Cash in Lieu	Bonds/Judicial Renovation	Legislative Appropriation FY 02/03
Assets				
Cash and cash equivalents	\$ 17,633	\$ -	\$ 106,932	\$ 19,829
Investments	-	-	30	-
Property taxes receivable, net	-	-	-	-
Due from other governments	16,932	2,992	-	-
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	\$ 34,565	\$ 2,992	\$ 106,962	\$ 19,829
Liabilities and fund balances				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ 486	\$ -	\$ -	\$ -
Accrued payroll expenses	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	12,680	-	-
<i>Total liabilities</i>	486	12,680	-	-
<i>Fund balances</i>				
Nonspendable				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Older American programs	34,079	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Recreation	-	-	-	-
Capital improvements and acquisitions	-	-	106,962	19,829
Debt service expenditures	-	-	-	-
Committed to:				
Senior center	-	-	-	-
Unassigned	-	(9,688)	-	-
<i>Total fund balances</i>	34,079	(9,688)	106,962	19,829
<i>Total liabilities and fund balances</i>	\$ 34,565	\$ 2,992	\$ 106,962	\$ 19,829

The accompanying notes are an integral part of these financial statements

Capital Projects

Legislative Appropriation FY 03/04	Legislative Appropriation FY 04/05	Tome Adelino	Legislative Appropriation FY 06/07	Legislative Appropriation FY 07/08	Legislative Appropriation FY 08/09
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	32,447
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,447</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,651
-	-	-	-	-	-
-	-	-	-	-	-
103,771	104,221	-	288,270	26,679	5,731
<u>103,771</u>	<u>104,221</u>	<u>-</u>	<u>288,270</u>	<u>26,679</u>	<u>18,382</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	14,065
-	-	-	-	-	-
(103,771)	(104,221)	-	(288,270)	(26,679)	-
<u>(103,771)</u>	<u>(104,221)</u>	<u>-</u>	<u>(288,270)</u>	<u>(26,679)</u>	<u>14,065</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,447</u>

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

	Capital Projects			Debt Service
	Legislative Appropriation FY 09/10	Legislative Appropriation FY 10/11	Corrections GRT	El Cerro Pump
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 1,084,781	\$ 101,632
Investments	-	-	-	-
Property taxes receivable, net	-	-	-	-
Due from other governments	97,334	-	23,328	-
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	\$ 97,334	\$ -	\$ 1,108,109	\$ 101,632
Liabilities and fund balances				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ 1,339	\$ -
Accrued payroll expenses	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	97,334	-	-	-
<i>Total liabilities</i>	97,334	-	1,339	-
<i>Fund balances</i>				
Nonspendable				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Older American programs	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Recreation	-	-	-	-
Capital improvements and acquisitions	-	-	1,106,770	-
Debt service expenditures	-	-	-	101,632
Committed to:				
Senior center	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	-	-	1,106,770	101,632
<i>Total liabilities and fund balances</i>	\$ 97,334	\$ -	\$ 1,108,109	\$ 101,632

The accompanying notes are an integral part of these financial statements

Debt Service			Total
Meadow Lake Fire Department	Highland Meadow Fire Department	Bond/Public Safety/E-911 Facility	Nonmajor Governmental Funds
\$ 108,071	\$ 33,609	\$ 425,150	\$ 4,196,574
30,726	26	-	409,761
-	-	-	57,127
-	-	-	899,794
-	-	-	-
-	-	-	47,283
-	-	-	-
<u>\$ 138,797</u>	<u>\$ 33,635</u>	<u>\$ 425,150</u>	<u>\$ 5,610,539</u>
\$ -	\$ -	\$ -	\$ 103,401
-	-	-	75,161
-	-	-	50,127
-	-	-	655,102
-	-	-	883,791
-	-	-	47,283
-	-	-	-
-	-	-	874,434
-	-	-	186,307
-	-	-	48,323
-	-	-	82,941
-	-	-	2,003,569
-	-	-	-
-	-	-	98,846
-	-	-	1,247,626
138,797	33,635	425,150	699,214
-	-	-	8,803
-	-	-	(570,598)
<u>138,797</u>	<u>33,635</u>	<u>425,150</u>	<u>4,726,748</u>
<u>\$ 138,797</u>	<u>\$ 33,635</u>	<u>\$ 425,150</u>	<u>\$ 5,610,539</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, 2011

	Special Revenue			
	Farm and Range	Recreation	Juvenile Detention	GRT- Regional Transit
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	749,960
Intergovernmental:				
Federal operating grants	2,728	-	-	-
State operating grants	-	21,000	19,891	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	300	-
<i>Total revenues</i>	<u>2,728</u>	<u>21,000</u>	<u>20,191</u>	<u>749,960</u>
<i>Expenditures</i>				
Current				
General government	4,000	-	-	750,305
Public safety	-	-	458,222	-
Public works	-	-	-	-
Culture and recreation	-	20,019	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>4,000</u>	<u>20,019</u>	<u>458,222</u>	<u>750,305</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,272)</u>	<u>981</u>	<u>(438,031)</u>	<u>(345)</u>
<i>Other financing sources (uses)</i>				
Transfers in	569	21	455,761	-
Transfers out	-	-	-	-
Loan proceeds	-	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>569</u>	<u>21</u>	<u>455,761</u>	<u>-</u>
<i>Net change in fund balance</i>	(703)	1,002	17,730	(345)
<i>Fund balance - beginning of year</i>	(569)	14,925	(32,942)	137,040
<i>Restatement</i>	-	-	-	-
<i>Fund balance - restated</i>	<u>(569)</u>	<u>14,925</u>	<u>(32,942)</u>	<u>137,040</u>
<i>Fund balance - end of year</i>	<u>\$ (1,272)</u>	<u>\$ 15,927</u>	<u>\$ (15,212)</u>	<u>\$ 136,695</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,693
-	711,685	51,771	-	-	-
-	-	-	-	-	-
22,903	21,015	784	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	55
<u>22,903</u>	<u>732,700</u>	<u>52,555</u>	<u>-</u>	<u>-</u>	<u>347,748</u>
-	-	-	-	-	334,526
-	509,264	52,103	8,344	-	-
-	-	-	-	-	-
24,470	-	-	-	-	-
-	-	-	-	-	-
-	57,617	-	-	-	-
-	157,480	-	-	-	-
-	10,450	-	-	-	-
-	4,337	-	-	-	-
<u>24,470</u>	<u>739,148</u>	<u>52,103</u>	<u>8,344</u>	<u>-</u>	<u>334,526</u>
<u>(1,567)</u>	<u>(6,448)</u>	<u>452</u>	<u>(8,344)</u>	<u>-</u>	<u>13,222</u>
-	57,691	1,425	-	-	-
-	-	-	-	-	-
-	293,496	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>351,187</u>	<u>1,425</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,567)	344,739	1,877	(8,344)	-	13,222
10,370	285,899	8,671	3,353	1,652	463,329
-	-	-	-	-	-
<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>\$ 8,803</u>	<u>\$ 630,638</u>	<u>\$ 10,548</u>	<u>\$ (4,991)</u>	<u>\$ 1,652</u>	<u>\$ 476,551</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, 2011

	Special Revenue			
	Fire Excise Tax	Law Enforcement	EMS-GRT	Tome Adelino Community Center
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	157,649	48,600	1,664,375	15,675
Intergovernmental:				
Federal operating grants	35,720	-	-	-
State operating grants	22	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	80	-	-	21
Miscellaneous	14,012	-	-	-
<i>Total revenues</i>	<u>207,483</u>	<u>48,600</u>	<u>1,664,375</u>	<u>15,696</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	199,413	456	1,483,812	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	165,371	67,556	-	-
Debt service:				
Principal	110,560	-	-	-
Interest	1,735	-	-	-
Bond issuance costs	5,080	-	-	-
<i>Total expenditures</i>	<u>482,159</u>	<u>68,012</u>	<u>1,483,812</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(274,676)</u>	<u>(19,412)</u>	<u>180,563</u>	<u>15,696</u>
<i>Other financing sources (uses)</i>				
Transfers in	167,355	64,338	-	-
Transfers out	(226,471)	-	-	-
Loan proceeds	343,762	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>284,646</u>	<u>64,338</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	9,970	44,926	180,563	15,696
<i>Fund balance - beginning of year</i>	748,637	(44,598)	216,472	67,223
<i>Restatement</i>	-	-	-	-
<i>Fund balance - restated</i>	<u>748,637</u>	<u>(44,598)</u>	<u>216,472</u>	<u>67,223</u>
<i>Fund balance - end of year</i>	<u>\$ 758,607</u>	<u>\$ 328</u>	<u>\$ 397,035</u>	<u>\$ 82,919</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	Clerk's Equipment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	150,085	57,652
68,235	-	-	-	-	-
-	-	-	-	973	-
-	-	-	-	-	-
-	-	-	-	270,067	-
-	-	-	-	-	-
-	-	-	-	25	108
<u>68,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>421,150</u>	<u>57,760</u>
-	-	-	-	779,018	14,273
-	120	-	-	-	-
25,882	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	8,244	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>25,882</u>	<u>120</u>	<u>-</u>	<u>-</u>	<u>787,262</u>	<u>14,273</u>
<u>42,353</u>	<u>(120)</u>	<u>-</u>	<u>-</u>	<u>(366,112)</u>	<u>43,487</u>
-	-	-	-	326,795	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,795</u>	<u>-</u>
42,353	(120)	-	-	(39,317)	43,487
(52,975)	960	10	12,500	44,865	190,807
-	-	-	-	-	-
<u>(52,975)</u>	<u>960</u>	<u>10</u>	<u>12,500</u>	<u>44,865</u>	<u>190,807</u>
<u>\$ (10,622)</u>	<u>\$ 840</u>	<u>\$ 10</u>	<u>\$ 12,500</u>	<u>\$ 5,548</u>	<u>\$ 234,294</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, 2011

	Special Revenue			
	Department of Justice Assistance Programs	Special Revenue Bond	Sheriff's GRT	Road GRT
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	720,047	155,556
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	14,127	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>734,174</u>	<u>155,556</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	3,031	-	770,542	-
Public works	-	-	-	52,461
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	3,751	46,051
Debt service:				
Principal	-	-	-	35,478
Interest	-	-	-	14,200
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>3,031</u>	<u>-</u>	<u>774,293</u>	<u>148,190</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,031)</u>	<u>-</u>	<u>(40,119)</u>	<u>7,366</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Loan proceeds	-	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	(3,031)	-	(40,119)	7,366
<i>Fund balance - beginning of year</i>	10,246	14,855	268,717	151,867
<i>Restatement</i>	-	-	-	-
<i>Fund balance - restated</i>	<u>10,246</u>	<u>14,855</u>	<u>268,717</u>	<u>151,867</u>
<i>Fund balance - end of year</i>	<u>\$ 7,215</u>	<u>\$ 14,855</u>	<u>\$ 228,598</u>	<u>\$ 159,233</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Fire GRT	Traffic Safety	Homeland Security	Title III-B	Title III-E	Title C-1
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
155,556	-	-	-	-	-
-	-	-	43,278	-	79,989
-	43,381	-	13,233	-	61,470
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	743	-	-
<u>155,556</u>	<u>43,381</u>	<u>-</u>	<u>57,254</u>	<u>-</u>	<u>141,459</u>
-	-	-	-	-	-
160,010	35,664	-	-	-	-
-	-	-	-	-	-
-	-	-	91,175	-	193,447
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>160,010</u>	<u>35,664</u>	<u>-</u>	<u>91,175</u>	<u>-</u>	<u>193,447</u>
<u>(4,454)</u>	<u>7,717</u>	<u>-</u>	<u>(33,921)</u>	<u>-</u>	<u>(51,988)</u>
-	-	-	33,180	-	58,066
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>33,180</u>	<u>-</u>	<u>58,066</u>
(4,454)	7,717	-	(741)	-	6,078
52,777	19,357	3,500	25,579	25	17,921
-	-	-	-	-	-
<u>52,777</u>	<u>19,357</u>	<u>3,500</u>	<u>25,579</u>	<u>25</u>	<u>17,921</u>
<u>\$ 48,323</u>	<u>\$ 27,074</u>	<u>\$ 3,500</u>	<u>\$ 24,838</u>	<u>\$ 25</u>	<u>\$ 23,999</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, 2011

	Special Revenue		Capital Projects	
	Title C-2	Cash in Lieu	Bonds/Judicial Renovation	Legislative Appropriation FY 02/03
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	21,875	85,042	-	-
State operating grants	249,012	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	2,750	-	-	-
<i>Total revenues</i>	273,637	85,042	-	-
<i>Expenditures</i>				
Current				
General government	-	-	7,341	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	432,792	-	-	-
Health and welfare	-	76,129	-	-
Capital outlay	-	-	70,960	-
Debt service:				
Principal	-	-	600,000	-
Interest	-	-	263,280	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	432,792	76,129	941,581	-
<i>Excess (deficiency) of revenues over expenditures</i>	(159,155)	8,913	(941,581)	-
<i>Other financing sources (uses)</i>				
Transfers in	185,254	-	863,280	-
Transfers out	-	-	-	-
Loan proceeds	-	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	185,254	-	863,280	-
<i>Net change in fund balance</i>	26,099	8,913	(78,301)	-
<i>Fund balance - beginning of year</i>	7,980	(18,601)	185,263	19,829
<i>Restatement</i>	-	-	-	-
<i>Fund balance - restated</i>	7,980	(18,601)	185,263	19,829
<i>Fund balance - end of year</i>	\$ 34,079	\$ (9,688)	\$ 106,962	\$ 19,829

The accompanying notes are an integral part of these financial statements

Capital Projects

Legislative Appropriation FY 03/04	Legislative Appropriation FY 04/05	Tome Adelino	Legislative Appropriation FY 06/07	Legislative Appropriation FY 07/08	Legislative Appropriation FY 08/09
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	6,900	93,015
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	6,900	93,015
-	-	-	-	-	-
-	-	-	-	33,579	77,665
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,285
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	33,579	78,950
-	-	-	-	-	-
-	-	-	-	(26,679)	14,065
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(26,679)	14,065
-	-	-	-	-	-
(103,771)	(104,221)	-	(288,270)	-	-
(103,771)	(104,221)	-	(288,270)	-	-
\$ (103,771)	\$ (104,221)	\$ -	\$ (288,270)	\$ (26,679)	\$ 14,065

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, 2011

	Capital Projects			Debt Service
	Legislative Appropriation FY 09/10	Legislative Appropriation FY 10/11	Corrections GRT	El Cerro Pump
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	143,650	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	108,607	11,494	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>108,607</u>	<u>11,494</u>	<u>143,650</u>	<u>-</u>
<i>Expenditures</i>				
Current				
General government	-	3,300	-	18,903
Public safety	-	-	124,821	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	108,607	8,194	543,415	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>108,607</u>	<u>11,494</u>	<u>668,236</u>	<u>18,903</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(524,586)</u>	<u>(18,903)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Loan proceeds	-	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(524,586)	(18,903)
<i>Fund balance - beginning of year</i>	-	-	1,631,356	120,535
<i>Restatement</i>	-	-	-	-
<i>Fund balance - restated</i>	<u>-</u>	<u>-</u>	<u>1,631,356</u>	<u>120,535</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,106,770</u>	<u>\$ 101,632</u>

The accompanying notes are an integral part of these financial statements

Debt Service			Total
Meadow Lake Fire Department	Highland Meadow Fire Department	Bond/Public Safety/E-911 Facility	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 347,693
34,351	-	-	4,816,612
-	-	-	336,867
-	16,791	-	470,475
-	-	-	220,016
-	-	-	270,067
80	25	150	356
-	-	-	32,120
<u>34,431</u>	<u>16,816</u>	<u>150</u>	<u>6,494,206</u>
-	-	-	2,022,910
80	4	-	3,805,886
-	-	-	78,343
-	-	-	761,903
-	-	-	76,129
-	-	-	1,081,051
-	-	-	903,518
-	-	-	289,665
-	-	-	9,417
<u>80</u>	<u>4</u>	<u>-</u>	<u>9,028,822</u>
<u>34,351</u>	<u>16,812</u>	<u>150</u>	<u>(2,534,616)</u>
-	-	-	2,213,735
-	-	-	(226,471)
-	-	-	637,258
-	-	425,000	425,000
-	-	425,000	3,049,522
34,351	16,812	425,150	514,906
104,446	16,823	-	4,708,104
-	-	-	(496,262)
<u>104,446</u>	<u>16,823</u>	<u>-</u>	<u>4,211,842</u>
<u>\$ 138,797</u>	<u>\$ 33,635</u>	<u>\$ 425,150</u>	<u>\$ 4,726,748</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	3,062	3,062	2,728	(334)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,062</u>	<u>3,062</u>	<u>2,728</u>	<u>(334)</u>
<i>Expenditures</i>				
Current:				
General government	3,062	3,062	4,000	(938)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,062</u>	<u>3,062</u>	<u>4,000</u>	<u>(938)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,272)</u>	<u>(1,272)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	569	569
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>569</u>	<u>569</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(703)</u>	<u>(703)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(569)</u>	<u>(569)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,272)</u>	<u>\$ (1,272)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (703)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (703)</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, 2011

	Budgeted Amounts		Actual	Variaces Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	21,000	21,000	24,319	3,319
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>21,000</u>	<u>21,000</u>	<u>24,319</u>	<u>3,319</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	21,000	21,000	20,019	981
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>21,000</u>	<u>21,000</u>	<u>20,019</u>	<u>981</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>4,300</u>	<u>4,300</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	21	21
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>4,321</u>	<u>4,321</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(22)</u>	<u>(22)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,299</u>	<u>\$ 4,299</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 4,321
Adjustments to revenues for state operating grants accrual				(3,319)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 1,002</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	813	813
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	300	300
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,113</u>	<u>1,113</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	456,000	456,000	456,874	(874)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>456,000</u>	<u>456,000</u>	<u>456,874</u>	<u>(874)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(456,000)</u>	<u>(456,000)</u>	<u>(455,761)</u>	<u>239</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	456,000	456,000	455,761	(239)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>456,000</u>	<u>456,000</u>	<u>455,761</u>	<u>(239)</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				19,078
Adjustments to expenditures for salaries accrual				(1,348)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 17,730</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	600,000	600,000	750,305	150,305
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>600,000</u>	<u>600,000</u>	<u>750,305</u>	<u>150,305</u>
<i>Expenditures</i>				
Current:				
General government	600,000	600,000	750,305	(150,305)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>600,000</u>	<u>600,000</u>	<u>750,305</u>	<u>(150,305)</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)	(650,000)	(650,000)	-	650,000
Transfers in	650,000	650,000	-	(650,000)
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>-</u>	<u>-</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>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ -
Adjustments to revenues for gross receipts tax accrual				(345)
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (345)</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	17,272	23,486	24,598	1,112
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>17,272</u>	<u>23,486</u>	<u>24,598</u>	<u>1,112</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	17,402	22,635	22,901	(266)
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>17,402</u>	<u>22,635</u>	<u>22,901</u>	<u>(266)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(130)</u>	<u>851</u>	<u>1,697</u>	<u>846</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	130	(851)	-	851
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>130</u>	<u>(851)</u>	<u>-</u>	<u>851</u>
<i>Net change in fund balance</i>	-	-	1,697	1,697
<i>Fund balance - beginning of year</i>	-	-	31,441	31,441
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,138</u>	<u>\$ 33,138</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 1,697
Adjustments to revenues for state operating grants accrual				(1,695)
Adjustments to expenditures for salaries accrual				(1,569)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (1,567)</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	711,685	711,685
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	758,926	758,926	29,825	(729,101)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>758,926</u>	<u>758,926</u>	<u>741,510</u>	<u>(17,416)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	681,817	659,885	538,513	121,372
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	9,549	31,084	30,977	107
Debt service:				
Principal	79,951	137,493	157,480	(19,987)
Interest	10,450	10,450	10,450	-
Bond issuance costs	-	-	4,337	(4,337)
<i>Total expenditures</i>	<u>781,767</u>	<u>838,912</u>	<u>741,757</u>	<u>97,155</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(22,841)</u>	<u>(79,986)</u>	<u>(247)</u>	<u>79,739</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	22,841	79,986	-	(79,986)
Transfers in	-	-	57,691	57,691
Transfers out	-	-	-	-
Proceeds from issuance of long term debt	-	-	293,496	293,496
<i>Total other financing sources (uses)</i>	<u>22,841</u>	<u>79,986</u>	<u>351,187</u>	<u>271,201</u>
<i>Net change in fund balance</i>	-	-	350,940	350,940
<i>Fund balance - beginning of year</i>	-	-	252,657	252,657
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 603,597</u>	<u>\$ 603,597</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 350,940
Adjustments to revenues for gross receipts tax and state operating grant accrual				(8,810)
Adjustments to expenditures for salaries, general supplies and materials and insurance accrual				2,609
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 344,739</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	51,771	51,771
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	52,092	52,092	784	(51,308)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>52,092</u>	<u>52,092</u>	<u>52,555</u>	<u>463</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	52,092	51,532	51,602	(70)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	400	350	50
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>52,092</u>	<u>51,932</u>	<u>51,952</u>	<u>(20)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>160</u>	<u>603</u>	<u>443</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(160)	-	160
Transfers in	-	-	1,425	1,425
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(160)</u>	<u>1,425</u>	<u>1,585</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>2,028</u>	<u>2,028</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,898</u>	<u>8,898</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,926</u>	<u>\$ 10,926</u>
<i>Net change in fund balance (Budget Basis)</i>				<u>\$ 2,028</u>
No adjustments for revenue accruals				-
Adjustments to expenditures for equipment and maintenance accrual				<u>(151)</u>
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 1,877</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	22,415	-	(22,415)
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>22,415</u>	<u>-</u>	<u>(22,415)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	22,071	7,875	14,196
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>22,071</u>	<u>7,875</u>	<u>14,196</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>344</u>	<u>(7,875)</u>	<u>(8,219)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(344)	-	344
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(344)</u>	<u>-</u>	<u>344</u>
<i>Net change in fund balance</i>	-	-	(7,875)	(7,875)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>3,353</u>	<u>3,353</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,522)</u>	<u>\$ (4,522)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (7,875)
No adjustments for revenue accruals				-
Adjustments to expenditures for general supplies and materials accrual				(469)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (8,344)</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ 315,000	\$ 315,000	\$ 346,537	\$ 31,537
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	55	55
<i>Total revenues</i>	<u>315,000</u>	<u>315,000</u>	<u>346,592</u>	<u>31,592</u>
<i>Expenditures</i>				
Current:				
General government	365,094	365,094	331,602	33,492
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>365,094</u>	<u>365,094</u>	<u>331,602</u>	<u>33,492</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(50,094)</u>	<u>(50,094)</u>	<u>14,990</u>	<u>65,084</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	50,094	50,094	-	(50,094)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>50,094</u>	<u>50,094</u>	<u>-</u>	<u>(50,094)</u>
<i>Net change in fund balance</i>	-	-	14,990	14,990
<i>Fund balance - beginning of year</i>	-	-	461,813	461,813
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476,803</u>	<u>\$ 476,803</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 14,990
Adjustments to revenues for property tax receivable accruals				1,156
Adjustments to expenditures for general supplies and materials and maintenance accruals				(2,924)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 13,222</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	32,000	32,000	352,476	320,476
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	35,720	35,720
State operating grants	-	-	22	22
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	256,000	291,720	-	(291,720)
Investment income	-	-	80	80
Miscellaneous	-	-	14,012	14,012
<i>Total revenues</i>	<u>288,000</u>	<u>323,720</u>	<u>402,310</u>	<u>78,590</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	223,570	223,862	180,772	43,090
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	36,300	198,772	180,380	18,392
Debt service:				
Principal	26,395	114,420	110,560	3,860
Interest	1,735	1,735	1,735	-
Bond issuance costs	-	-	5,080	(5,080)
<i>Total expenditures</i>	<u>288,000</u>	<u>538,789</u>	<u>478,527</u>	<u>60,262</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(215,069)</u>	<u>(76,217)</u>	<u>138,852</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	215,069	-	(215,069)
Transfers in	-	-	167,355	167,355
Transfers out	-	-	(226,471)	(226,471)
Proceeds from issuance of long term debt	-	-	343,762	343,762
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>215,069</u>	<u>284,646</u>	<u>69,577</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>208,429</u>	<u>208,429</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>513,544</u>	<u>513,544</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 721,973</u>	<u>\$ 721,973</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 208,429
Adjustments to revenues for gross receipts tax accruals				(194,827)
Adjustments to expenditures for equipment maintenance and repairs accruals				(3,632)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 9,970</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	48,600	48,600	48,600	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>48,600</u>	<u>48,600</u>	<u>48,600</u>	<u>-</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	8,000	8,000	456	7,544
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	147,677	147,677	128,346	19,331
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>155,677</u>	<u>155,677</u>	<u>128,802</u>	<u>26,875</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(107,077)</u>	<u>(107,077)</u>	<u>(80,202)</u>	<u>26,875</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	107,077	42,739	-	(42,739)
Transfers in	-	64,338	64,338	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>107,077</u>	<u>107,077</u>	<u>64,338</u>	<u>(42,739)</u>
<i>Net change in fund balance</i>	-	-	(15,864)	(15,864)
<i>Fund balance - beginning of year</i>	-	-	16,192	16,192
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328</u>	<u>\$ 328</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (15,864)
No adjustments to revenues				-
Adjustments to expenditures for salaries accruals				60,790
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 44,926</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	1,440,000	1,440,000	1,500,618	60,618
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,440,000</u>	<u>1,440,000</u>	<u>1,500,618</u>	<u>60,618</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	1,429,296	1,439,596	1,477,022	(37,426)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	10,704	404	766	(362)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,440,000</u>	<u>1,440,000</u>	<u>1,477,788</u>	<u>(37,788)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	22,830	22,830
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	22,830	22,830
<i>Fund balance - beginning of year</i>	-	-	116,239	116,239
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,069</u>	<u>\$ 139,069</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 22,830
Adjustments to revenues for gross receipts tax accruals				163,757
Adjustments to expenditures for salaries and maintenance and repair accruals				(6,024)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 180,563</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, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	15,675	15,675
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	21	21
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>15,696</u>	<u>15,696</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>15,696</u>	<u>15,696</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>	-	-	15,696	15,696
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>67,223</u>	<u>67,223</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,919</u>	<u>\$ 82,919</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 15,696
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 15,696</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, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	35,871	35,871	68,235	32,364
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>35,871</u>	<u>35,871</u>	<u>68,235</u>	<u>32,364</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	35,871	35,871	25,882	9,989
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>35,871</u>	<u>35,871</u>	<u>25,882</u>	<u>9,989</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	42,353	42,353
<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>	-	-	42,353	42,353
<i>Fund balance - beginning of year</i>	-	-	(52,975)	(52,975)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,622)</u>	<u>\$ (10,622)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 42,353
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 42,353</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, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	1,000	1,000	-	(1,000)
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	1,000	1,000	120	880
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,000</u>	<u>1,000</u>	<u>120</u>	<u>880</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(120)</u>	<u>(120)</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>	-	-	(120)	(120)
<i>Fund balance - beginning of year</i>	-	-	960	960
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840</u>	<u>\$ 840</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (120)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (120)</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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>10</u>	<u>10</u>
<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>				\$ -
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-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, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	12,500	12,500	-	(12,500)
<i>Total revenues</i>	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>(12,500)</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>12,500</u>	<u>12,500</u>	<u>-</u>	<u>(12,500)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(12,500)	(12,500)	-	12,500
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(12,500)</u>	<u>(12,500)</u>	<u>-</u>	<u>12,500</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	12,500	12,500
<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>				\$ -
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-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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		(Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	144,000	144,000	163,279	19,279
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	973	973
State capital grants	-	-	-	-
Licenses and fees	243,000	243,000	271,087	28,087
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	25	25
<i>Total revenues</i>	<u>387,000</u>	<u>387,000</u>	<u>435,364</u>	<u>48,364</u>
<i>Expenditures</i>				
Current:				
General government	701,461	841,361	740,176	101,185
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	20,000	20,000	20,572	(572)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>721,461</u>	<u>861,361</u>	<u>760,748</u>	<u>100,613</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(334,461)</u>	<u>(474,361)</u>	<u>(325,384)</u>	<u>148,977</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(520,410)	(380,510)	-	380,510
Transfers in	854,871	854,871	326,795	(528,076)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>334,461</u>	<u>474,361</u>	<u>326,795</u>	<u>(147,566)</u>
<i>Net change in fund balance</i>	-	-	1,411	1,411
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,411</u>	<u>\$ 1,411</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 1,411
Adjustments to revenues for gross receipts tax and licenses and fees accrual				(14,214)
Adjustments to expenditures for professional services, equipment, and supplies accrual				(26,514)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (39,317)</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, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	60,000	60,000	57,652	(2,348)
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	108	108
<i>Total revenues</i>	<u>60,000</u>	<u>60,000</u>	<u>57,760</u>	<u>(2,240)</u>
<i>Expenditures</i>				
Current:				
General government	38,482	38,283	14,311	23,972
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>38,482</u>	<u>38,283</u>	<u>14,311</u>	<u>23,972</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>21,518</u>	<u>21,717</u>	<u>43,449</u>	<u>21,732</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(21,518)	(21,717)	-	21,717
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(21,518)</u>	<u>(21,717)</u>	<u>-</u>	<u>21,717</u>
<i>Net change in fund balance</i>	-	-	43,449	43,449
<i>Fund balance - beginning of year</i>	-	-	190,845	190,845
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,294</u>	<u>\$ 234,294</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 43,449
No adjustments for revenue accruals				-
Adjustments to expenditures for repair and maintenance accrual				38
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 43,487</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, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	28,378	-	(28,378)
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>28,378</u>	<u>-</u>	<u>(28,378)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	28,378	3,031	25,347
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>28,378</u>	<u>3,031</u>	<u>25,347</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,031)</u>	<u>(3,031)</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>	-	-	(3,031)	(3,031)
<i>Fund balance - beginning of year</i>	-	-	10,246	10,246
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,215</u>	<u>\$ 7,215</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (3,031)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (3,031)</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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>14,855</u>	<u>14,855</u>
<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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	705,000	705,000	742,035	37,035
Gasoline and motor vehicle	-	-	-	-
Intergovernmental				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	14,127	14,127
<i>Total revenues</i>	<u>705,000</u>	<u>705,000</u>	<u>756,162</u>	<u>51,162</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	737,432	755,504	768,718	(13,214)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	9,000	16,000	10,654	5,346
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>746,432</u>	<u>771,504</u>	<u>779,372</u>	<u>(7,868)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(41,432)</u>	<u>(66,504)</u>	<u>(23,210)</u>	<u>43,294</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	41,432	66,504	-	(66,504)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>41,432</u>	<u>66,504</u>	<u>-</u>	<u>(66,504)</u>
<i>Net change in fund balance</i>	-	-	(23,210)	(23,210)
<i>Fund balance - beginning of year</i>	-	-	141,020	141,020
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,810</u>	<u>\$ 117,810</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (23,210)
Adjustments to revenues for gross receipts tax accrual				(21,988)
Adjustments to expenditures for salaries and general supplies and materials accrual				5,079
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (40,119)</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	150,000	150,000	160,934	10,934
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>160,934</u>	<u>10,934</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	52,461	(52,461)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	50,000	50,000	46,051	3,949
Debt service:				
Principal	104,172	104,172	35,478	68,694
Interest	-	-	14,127	(14,127)
<i>Total expenditures</i>	<u>154,172</u>	<u>154,172</u>	<u>148,117</u>	<u>6,055</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,172)</u>	<u>(4,172)</u>	<u>12,817</u>	<u>16,989</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	4,172	4,172	-	(4,172)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>4,172</u>	<u>4,172</u>	<u>-</u>	<u>(4,172)</u>
<i>Net change in fund balance</i>	-	-	12,817	12,817
<i>Fund balance - beginning of year</i>	-	-	118,527	118,527
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,344</u>	<u>\$ 131,344</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 12,817
Adjustments to revenues for gross receipts tax accrual				(5,378)
Adjustments to expenditures for general supplies and materials accruals				(73)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 7,366</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	150,000	150,000	160,934	10,934
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>160,934</u>	<u>10,934</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	150,000	150,000	160,010	(10,010)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>150,000</u>	<u>150,000</u>	<u>160,010</u>	<u>(10,010)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>924</u>	<u>924</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>924</u>	<u>924</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>19,437</u>	<u>19,437</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,361</u>	<u>\$ 20,361</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 924
Adjustments to revenues for gross receipts tax accrual				(5,378)
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (4,454)</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	30,000	63,860	47,826	(16,034)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,000</u>	<u>63,860</u>	<u>47,826</u>	<u>(16,034)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	30,000	54,560	38,921	15,639
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	9,300	-	9,300
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>63,860</u>	<u>38,921</u>	<u>24,939</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>8,905</u>	<u>8,905</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>8,905</u>	<u>8,905</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>20,430</u>	<u>20,430</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,335</u>	<u>\$ 29,335</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 8,905
Adjustments to revenues for state operating grants accrual				(4,445)
Adjustments to expenditures for salaries accrual				3,257
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 7,717</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, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	42,540	42,540	43,015	475
State operating grants	23,321	23,321	13,189	(10,132)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	743	743
<i>Total revenues</i>	<u>65,861</u>	<u>65,861</u>	<u>56,947</u>	<u>(8,914)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	98,987	98,987	85,425	13,562
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>98,987</u>	<u>98,987</u>	<u>85,425</u>	<u>13,562</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(33,126)</u>	<u>(33,126)</u>	<u>(28,478)</u>	<u>4,648</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	33,126	33,126	33,180	54
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>33,126</u>	<u>33,126</u>	<u>33,180</u>	<u>54</u>
<i>Net change in fund balance</i>	-	-	4,702	4,702
<i>Fund balance - beginning of year</i>	-	-	15,117	15,117
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,819</u>	<u>\$ 19,819</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 4,702
Adjustments to revenues for state and federal operating grants accrual				307
Adjustments to expenditures for insurance accrual				(5,750)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (741)</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, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	76,295	76,295	73,754	(2,541)
State operating grants	88,361	98,447	61,346	(37,101)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>164,656</u>	<u>174,742</u>	<u>135,100</u>	<u>(39,642)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	201,761	210,047	191,543	18,504
Health and welfare	-	-	-	-
Capital outlay	-	50	-	50
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>201,761</u>	<u>210,097</u>	<u>191,543</u>	<u>18,554</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(37,105)</u>	<u>(35,355)</u>	<u>(56,443)</u>	<u>(21,088)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(1,000)	(1,474)	-	1,474
Transfers in	38,105	36,829	58,066	21,237
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>37,105</u>	<u>35,355</u>	<u>58,066</u>	<u>22,711</u>
<i>Net change in fund balance</i>	-	-	1,623	1,623
<i>Fund balance - beginning of year</i>	-	-	8,270	8,270
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,893</u>	<u>\$ 9,893</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 1,623
Adjustments to revenues for state and federal operating grants accrual				6,359
Adjustments to expenditures for insurance accrual				(1,904)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 6,078</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, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	21,714	21,714	21,914	200
State operating grants	209,256	215,980	248,454	32,474
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	2,750	2,750
<i>Total revenues</i>	<u>230,970</u>	<u>237,694</u>	<u>273,118</u>	<u>35,424</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	436,239	447,463	429,793	17,670
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>436,239</u>	<u>447,463</u>	<u>429,793</u>	<u>17,670</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(205,269)</u>	<u>(209,769)</u>	<u>(156,675)</u>	<u>53,094</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(8,336)	-	8,336
Transfers in	205,269	218,105	185,254	(32,851)
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>205,269</u>	<u>209,769</u>	<u>185,254</u>	<u>(24,515)</u>
<i>Net change in fund balance</i>	-	-	28,579	28,579
<i>Fund balance - beginning of year</i>	-	-	(10,946)	(10,946)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,633</u>	<u>\$ 17,633</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 28,579
Adjustments to revenues for state and federal operating grants accrual				519
Adjustments to expenditures for insurance accrual				(2,999)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 26,099</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	58,629	64,927	93,804	28,877
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>58,629</u>	<u>64,927</u>	<u>93,804</u>	<u>28,877</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	57,397	63,695	76,129	(12,434)
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>57,397</u>	<u>63,695</u>	<u>76,129</u>	<u>(12,434)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,232</u>	<u>1,232</u>	<u>17,675</u>	<u>16,443</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(1,232)	(1,232)	-	1,232
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,232)</u>	<u>(1,232)</u>	<u>-</u>	<u>1,232</u>
<i>Net change in fund balance</i>	-	-	17,675	17,675
<i>Fund balance - beginning of year</i>	-	-	(30,355)	(30,355)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,680)</u>	<u>\$ (12,680)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 17,675
Adjustments to revenues for federal operating grant accrual				(8,762)
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 8,913</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, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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	-	-	6,071	(6,071)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	113,321	113,321	72,230	41,091
Debt service:				
Principal	863,280	863,280	600,000	263,280
Interest	-	-	263,280	(263,280)
<i>Total expenditures</i>	<u>976,601</u>	<u>976,601</u>	<u>941,581</u>	<u>35,020</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(976,601)</u>	<u>(976,601)</u>	<u>(941,581)</u>	<u>35,020</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	113,321	113,321	-	(113,321)
Transfers in	863,280	863,280	863,280	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>976,601</u>	<u>976,601</u>	<u>863,280</u>	<u>(113,321)</u>
<i>Net change in fund balance</i>	-	-	(78,301)	(78,301)
<i>Fund balance - beginning of year</i>	-	-	185,263	185,263
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 106,962</u>	<u>\$ 106,962</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (78,301)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (78,301)</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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>	-	-	19,829	19,829
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,829</u>	<u>\$ 19,829</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-35

Valencia County

Legislative Appropriation FY 03/04 Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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	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>(5,554)</u>	<u>(5,554)</u>	<u>-</u>	<u>5,554</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	5,554	5,554	-	(5,554)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,554</u>	<u>5,554</u>	<u>-</u>	<u>(5,554)</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	(103,771)	(103,771)
<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, 2011

	Budgeted Amounts		Actual	Variations
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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>(104,221)</u>	<u>(104,221)</u>
<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>				\$ -
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-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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	141,676	141,676
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>141,676</u>	<u>141,676</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>141,676</u>	<u>141,676</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>	-	-	141,676	141,676
<i>Fund balance - beginning of year</i>	-	-	(141,676)	(141,676)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 141,676
Adjustments to revenues for state capital grants accrual				(141,676)
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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	6,824	6,824
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>6,824</u>	<u>6,824</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>6,824</u>	<u>6,824</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>	-	-	6,824	6,824
<i>Fund balance - beginning of year</i>	-	-	(295,094)	(295,094)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (288,270)</u>	<u>\$ (288,270)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 6,824
Adjustments to revenues for state capital grants accruals				(6,824)
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-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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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	62,793	62,793	33,691	29,102
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>62,793</u>	<u>62,793</u>	<u>33,691</u>	<u>29,102</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(62,793)</u>	<u>(62,793)</u>	<u>(33,691)</u>	<u>29,102</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	62,793	62,793	-	(62,793)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>62,793</u>	<u>62,793</u>	<u>-</u>	<u>(62,793)</u>
<i>Net change in fund balance</i>	-	-	(33,691)	(33,691)
<i>Fund balance - beginning of year</i>	-	-	7,012	7,012
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,679)</u>	<u>\$ (26,679)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (33,691)
Adjustments to revenues for state capital grants accrual				6,900
Adjustments to expenditures for construction accrual				112
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (26,679)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-40

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, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	81,084	81,084
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>81,084</u>	<u>81,084</u>
<i>Expenditures:</i>				
Current:				
General government	445,500	445,500	66,665	378,835
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	306,521	306,521	6,842	299,679
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>752,021</u>	<u>752,021</u>	<u>73,507</u>	<u>678,514</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(752,021)</u>	<u>(752,021)</u>	<u>7,577</u>	<u>759,598</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	752,021	752,021	-	(752,021)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>752,021</u>	<u>752,021</u>	<u>-</u>	<u>(752,021)</u>
<i>Net change in fund balance</i>	-	-	7,577	7,577
<i>Fund balance - beginning of year</i>	-	-	(13,308)	(13,308)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,731)</u>	<u>\$ (5,731)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 7,577
Adjustments to revenues for state capital grants accrual				11,931
Adjustments to expenditures for construction accrual				(5,443)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 14,065</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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	11,273	11,273
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>11,273</u>	<u>11,273</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	150,000	150,000	108,607	41,393
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>150,000</u>	<u>150,000</u>	<u>108,607</u>	<u>41,393</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(97,334)</u>	<u>52,666</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	150,000	150,000	-	(150,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
<i>Net change in fund balance</i>	-	-	(97,334)	(97,334)
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (97,334)</u>	<u>\$ (97,334)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (97,334)
Adjustments to revenues for state capital grants accruals				97,334
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-42

Valencia County

Legislative Appropriation FY 10/11 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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	881,351	11,494	(869,857)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>881,351</u>	<u>11,494</u>	<u>(869,857)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	881,351	11,494	869,857
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>881,351</u>	<u>11,494</u>	<u>869,857</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>-</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>				\$ -
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-43

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, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	175,250	175,250
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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>175,250</u>	<u>175,250</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	150,000	150,000	102,820	47,180
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	300,000	1,283,188	564,077	719,111
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>450,000</u>	<u>1,433,188</u>	<u>666,897</u>	<u>766,291</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(450,000)</u>	<u>(1,433,188)</u>	<u>(491,647)</u>	<u>941,541</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	450,000	1,433,188	-	(1,433,188)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>450,000</u>	<u>1,433,188</u>	<u>-</u>	<u>(1,433,188)</u>
<i>Net change in fund balance</i>	-	-	(491,647)	(491,647)
<i>Fund balance - beginning of year</i>	-	-	1,576,428	1,576,428
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,084,781</u>	<u>\$ 1,084,781</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (491,647)
Adjustments to revenues for gross receipts taxes accrual				(31,600)
Adjustments to expenditures for construction accrual				(1,339)
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (524,586)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-44

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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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	-	-	18,903	18,903
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>18,903</u>	<u>18,903</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(18,903)</u>	<u>(18,903)</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>	-	-	(18,903)	(18,903)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>120,535</u>	<u>120,535</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,632</u>	<u>\$ 101,632</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (18,903)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (18,903)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-45

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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	34,351	34,351
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	80	80
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>34,431</u>	<u>34,431</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	80	(80)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>80</u>	<u>(80)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>34,351</u>	<u>34,351</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>	-	-	34,351	34,351
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>104,446</u>	<u>104,446</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,797</u>	<u>\$ 138,797</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 34,351
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 34,351</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-46

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, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	16,791	16,791
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	25	25
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>16,816</u>	<u>16,816</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	4	(4)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>4</u>	<u>(4)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>16,812</u>	<u>16,812</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>	-	-	16,812	16,812
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,823</u>	<u>16,823</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,635</u>	<u>\$ 33,635</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 16,812
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 16,812</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-47

Valencia County

Bond/Public Safety/E-911 Facility 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, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	150	150
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>150</u>	<u>150</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>150</u>	<u>150</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Loan Proceeds	-	-	425,000	(425,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>425,000</u>	<u>(425,000)</u>
<i>Net change in fund balance</i>	-	-	425,150	(424,850)
<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>\$ 425,150</u>	<u>\$ (424,850)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 425,150
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ 425,150</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-48

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, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ 913,954	\$ 913,954
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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>913,954</u>	<u>913,954</u>
<i>Expenditures</i>				
Current:				
General government	-	-	30,000	(30,000)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	7,085,000	(7,085,000)
Interest	-	-	-	-
Bond issuance costs	-	-	50,000	(50,000)
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>7,165,000</u>	<u>(7,165,000)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,251,046)</u>	<u>(6,251,046)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(863,280)	863,280
Proceeds from issuance of long term debt	-	-	6,665,000	(6,665,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>5,801,720</u>	<u>(5,801,720)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(449,326)</u>	<u>(449,326)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,566,590</u>	<u>1,566,590</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,117,264</u>	<u>\$ 1,117,264</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (449,326)
Adjustments to revenues for property tax accruals				1,132
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ (448,194)</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, 2011

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity</u>	<u>CUSIP Number</u>
Bank of the West			
	FN 976566	3/1/2038	31414UMP0
	University of New Mexico Gallup Branch	8/1/2022	914684CU7
	University of New Mexico Gallup Branch	8/1/2023	914684CV5
	FHR 3339 HF	7/15/2037	31397JYV0
	FN 382906	12/1/2018	31377PKT0
	FN 872467	5/1/2036	31409JL5
	University of New Mexico Gallup Branch	8/1/2022	914684CU7
	FN 817592	11/1/2035	31406RKD6
	FN 933632	8/1/2038	31412SVZ5
	FNR 2008-18 FA	3/25/2038	31396YWQ1
	Southern Sandoval New Mexico A	8/1/2014	843789DE5
	University of New Mexico Gallup Branch	8/1/2012	914684CJ2
	FN AD7978	7/1/2040	31418V2L5
	Southern Sandoval New Mexico A	8/1/2012	843789DC9
	Total Bank of the West		
NM Bank and Trust			
	FHLMC REMIC SER 1004 CL H	10/15/2020	312904MG7
	FHLMC CMO SERIES 2878 CL QG	3/15/2033	31395GKP6
	FNMA REMIC SER 2009-27 CL NA	6/25/2035	31397NSS5
	Albuquerque New Mexico Muni Sch Dist	8/1/2021	013595QQ9
	Belen New Mexico Gross Rcpts Tax Rev	6/1/2026	077571CS4
	Total NM Bank and Trust		
MyBank			
	Alamogordo New Mexico Muni Sch Dist	8/1/2016	011464EZ3
	Carlsbad New Mexico Muni Sch Dist	8/1/2017	142735CZ0
	West Las Vegas New Mexico	7/15/2012	953769HW9
	West Las Vegas New Mexico	7/15/2014	953769HY5
	Total MyBank		
	Total Pledged Collateral		

* As per NMSA 2.2.2.10(N)(4), the value of collateral consisting of obligations of the State of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions shall be par value.

See accompanying independent auditors' report

Fair Market Value		
*Par Value		
June 30, 2011	Name and Location of Safekeeper	
\$ 1,807,864	Wells Fargo - Minneapolis, Minnesota	
250,000 *	Wells Fargo - Minneapolis, Minnesota	
425,000 *	Wells Fargo - Minneapolis, Minnesota	
2,116,669	Wells Fargo - Minneapolis, Minnesota	
615,335	Wells Fargo - Minneapolis, Minnesota	
234,629	Wells Fargo - Minneapolis, Minnesota	
1,049,000 *	Wells Fargo - Minneapolis, Minnesota	
473,830	Wells Fargo - Minneapolis, Minnesota	
1,192,349	Wells Fargo - Minneapolis, Minnesota	
1,863,207	Wells Fargo - Minneapolis, Minnesota	
350,000 *	Wells Fargo - Minneapolis, Minnesota	
200,000 *	Wells Fargo - Minneapolis, Minnesota	
999,599	Wells Fargo - Minneapolis, Minnesota	
650,000 *	Wells Fargo - Minneapolis, Minnesota	
<u>12,227,482</u>		
42,978	Commerce Bank	
2,782,636	Commerce Bank	
164,834	Commerce Bank	
275,000 *	Commerce Bank	
1,040,000 *	Commerce Bank	
<u>4,305,448</u>		
500,000 *	Federal Home Loan Bank - Dallas, TX	
850,000 *	Federal Home Loan Bank - Dallas, TX	
400,000 *	Federal Home Loan Bank - Dallas, TX	
400,000 *	Federal Home Loan Bank - Dallas, TX	
<u>2,150,000</u>		
<u>\$ 18,682,930</u>		

STATE OF NEW MEXICO
Valencia County
Schedule of Deposit and Investment Accounts
June 30, 2011

Bank Name	Acct. Type	Bank Balance
Deposits:		
Bank of the West		
Operational Checking Account	Checking	\$ 7,759,072
Hospital	Checking	11,448,185
Paid Under Protest/Miller Family	Money Market	52,842
Wells Fargo		
Adult Detention Commissary	Checking	11,277
Adult Detention Inmate	Checking	19,321
CDBG	Checking	-
Judicial Complex	Money Market	42,419
Choice IV Public Funds	Money Market	-
First Community Bank		
Elec Fed Tax Pymt System Account	Checking	2,764
NM Bank & Trust		
Certificate of Deposits	Certificate of Deposit	1,516,175
3/12 Reserve Account	Certificate of Deposit	2,495,841
GO Public Safety Bond 2011	Certificate of Deposit	425,150
MyBank		
Certificate of Deposit	Certificate of Deposit	500,000
Certificate of Deposit	Certificate of Deposit	500,000
Certificate of Deposit	Certificate of Deposit	500,000
Certificate of Deposit	Certificate of Deposit	300,000
Certificate of Deposit	Certificate of Deposit	300,000
Subtotal Deposits		<u>25,873,046</u>
US Treasury Money Market Mutual Fund	Mutual Fund	695,596
New Mexico State Treasurer		
LGIP	LGIP	<u>35,815</u>
Total deposits and investments per financial statements		<u>\$ 26,604,457</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 auditors' report

Deposits in Transit	Outstanding Checks	Book Balance
\$ 36,441	\$ 1,717,342	\$ 6,078,171
-	-	11,448,185
-	-	52,842
-	-	11,277
-	-	19,321
-	-	-
-	-	42,419
-	-	-
-	-	2,764
-	-	1,516,175
-	-	2,495,841
-	-	425,150
-	-	500,000
-	-	500,000
-	-	500,000
-	-	300,000
-	-	300,000
<u>36,441</u>	<u>1,717,342</u>	<u>24,192,145</u>
-	-	695,596
-	-	35,815
<u>\$ 36,441</u>	<u>\$ 1,717,342</u>	<u>\$ 24,923,556</u>
		\$ 9,337,753
		2,545,576
		285,834
		<u>12,754,393</u>
		<u>\$ 24,923,556</u>

STATE OF NEW MEXICO
Valencia County
Tax Roll Reconciliation-Changes in Property Taxes Receivable
June 30, 2011

Schedule III

Property taxes receivable, beginning of year	\$ 6,660,480
Add: prior year uncollectible balance	1,998,254
Changes to tax roll:	
Net tax charges to treasurer for fiscal year	39,174,508
Adjustments:	
Allowance for uncollectible taxes receivable	(2,128,018)
Charge off of taxes receivable	<u>(247,976)</u>
Total receivable prior to collections	45,457,248
Collections for fiscal year ended June 30, 2011	<u>(38,127,743)</u>
Property taxes receivable at June 30, 2011	<u><u>\$ 7,329,505</u></u>
Property taxes are reported as follows:	
Governmental Funds:	
County portion- Exhibit A-1	\$ 2,207,920
Agency portion- Exhibit D-1	<u>5,121,585</u>
Total property taxes receivable	<u><u>\$ 7,329,505</u></u>
Property taxes receivable by years:	
2001	\$ -
2002	25,793
2003	77,120
2004	134,679
2005	202,146
2006	274,892
2007	465,540
2008	952,990
2009	1,762,880
2010	<u>3,433,465</u>
	<u><u>\$ 7,329,505</u></u>

See accompanying independent auditors' report

STATE OF NEW MEXICO
Valencia County
Schedule of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2011

Schedule IV

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
ASSETS				
Cash and cash equivalents	\$ 9,482,122	\$ 31,146,503	\$ 27,874,232	\$ 12,754,393
Property taxes receivable	<u>4,593,504</u>	<u>27,995,984</u>	<u>27,467,903</u>	<u>5,121,585</u>
<i>Total assets</i>	<u><u>\$ 14,075,626</u></u>	<u><u>\$ 59,142,487</u></u>	<u><u>\$ 55,342,135</u></u>	<u><u>\$ 17,875,978</u></u>
 LIABILITIES				
Deposits held in trust for others	\$ 309,960	\$ 258,269	\$ 243,720	\$ 324,509
Deposits held in trust for hospital levy	8,336,163	3,178,609	-	11,514,772
Deposits held in trust for other taxing entities	835,999	27,737,715	27,658,602	915,112
Due to other taxing entities	<u>4,593,504</u>	<u>27,995,984</u>	<u>27,467,903</u>	<u>5,121,585</u>
<i>Total liabilities</i>	<u><u>\$ 14,075,626</u></u>	<u><u>\$ 59,170,577</u></u>	<u><u>\$ 55,370,225</u></u>	<u><u>\$ 17,875,978</u></u>

See accompanying independent auditors' report

STATE OF NEW MEXICO
Valencia County
Schedule of Legislative Grants
For the Year Ended June 30, 2011

Project	Grant #	Expiration Date	Grant Amount
Del Rio Community Center	2009-4927	6/30/2012	\$ 445,500
Railroad Quiet Zones	C8G699	6/30/2012	115,000
Renovate Fred Luna Senior Center	2010-3064	6/30/2013	150,000
Plan, Design & Construct Manzano Expressway	STP3100240	6/30/2015	869,851
			<u>\$ 1,580,351</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 auditors' report

<u>Expenditures To</u> <u>Date</u>	<u>Remaining Grant</u> <u>Balance</u>
\$ 65,138	\$ 380,362
1,285	113,715
108,606	41,394
-	869,851
<u>\$ 175,029</u>	<u>\$ 1,405,322</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
The Office of Management and Budget
To the 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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 10, 2011. 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 were also unable to verify the County's cash balances allocated at the individual fund level which did not reconcile with the control cash account for the governmental funds. As a result, there was no effective way to determine whether the cash balances at the fund level were materially correct. The amount by which allocation would effect the assets, fund balances, revenues and expenditures of the governmental funds is not reasonably determinable. We also have audited the financial statements of each of the County's nonmajor governmental funds and budgetary comparisons for the County 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, 2011 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 questioned costs, 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 a 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 questioned costs as items FS 2007-10, FS 2007-12, FS 2007-14, FS 2007-16, FS 2007-17, FS 2008-01, FS 2009-01, FS 2011-01, and 2011-03 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 questioned costs as items FS 2010-06 and FS 2011-04 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 questioned costs 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 questioned costs as findings FS 2010-01, and FS 2011-02.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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 10, 2011

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited Valencia County, New Mexico's (County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular *A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, Valencia County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items FA 2011-01, FA 2011-02, FA 2011-03, FA 2011-04 and FA 2011-05. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report is intended solely for the information and use of management, others within the organization, the County Commission, the Office of the State Auditor, the New Mexico State Legislature and its committees, the New Mexico Department of Finance and Administration, and applicable federal grantors 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 10, 2011

STATE OF NEW MEXICO
Valencia County
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2011

Federal Grantor/Passthrough Grantor/Program Title	Federal C.F.D.A. Number		Federal Expenditures
U.S. Department of Agriculture			
Forest Reserve	10.665		\$ 11,175
Taylor Grazing Act	15.227		2,728
Total U.S. Department of Agriculture			<u>13,903</u>
U.S. Department of Energy			
Energy Efficiency and Conservation Block Grant	81.128	(1)	<u>250,000</u>
Total U.S. Department of Energy			<u>250,000</u>
Department of Health and Human Services			
Federal Title III Part C- Senior Citizen	93.044	(1)	43,278
Special Programs for the Aging-Title III, Part B	93.045	(1)	101,864
Nutrition Services Incentive Program NSIP	93.053	(1)	<u>85,042</u>
Total Department of Health and Human Services			<u>230,184</u>
Department of Homeland Security			
Emergency Management EMPG	97.042		<u>44,910</u>
Total Department of Homeland Security			<u>44,910</u>
Department of Justice			
Criminal Alien Assistance Program	16.606		<u>9,478</u>
Total Department of Justice			<u>9,478</u>
U.S. Department of Housing & Urban Development Passed Through the State of New Mexico, Department of Finance & Administration			
Community Development Block Grant	14.228		<u>25,881</u>
Total U.S. Department of Housing & Urban Development			<u>25,881</u>
Total Federal Financial Assistance			<u>\$ 574,356</u>

(1) Major program

Notes to Schedule of Expenditures of Federal AwardsBasis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Valencia County, New Mexico (County) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Subrecipients

The County did not provide any federal awards to subrecipients during the year.

Non-Cash Federal Assistance

The County did not receive any non-cash federal assistance during the year.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 574,356
Total expenditures funded by other sources	<u>30,974,529</u>
Total expenditures	<u><u>\$ 31,548,885</u></u>

STATE OF NEW MEXICO
 Valencia County
 Schedule of Findings and Questioned Costs
 June 30, 2011

Section I – Summary or 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 a material weakness? | Yes |
| c. Noncompliance material to the financial statements noted? | Yes |

Federal Awards:

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 2. Type of auditors’ report issued on compliance for major programs | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
81.128	Energy Efficiency and Conservation Block Grant
93.045	Special Programs for the Aging-Title III, Part B
93.044	Federal Title III Senior Citizen
93.053	Nutrition Services Incentive Program

- | | |
|--|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as a low-risk auditee under the requirements set forth by OMB Circular A-133 section 530? | No |

FINANCIAL STATEMENT FINDINGS:

FS 2007-10 — Preparation of Financial Statements (Material Weakness)

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. 115, 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' Recommendations: 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 new accounting software that has the capacity of producing Financial Statements. Additionally, the Budget Analyst position's duties will focus on 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 (Material Weakness and Noncompliance)

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' Recommendations: 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 previous audit firm. 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 (Material Weakness)

Condition: During our test of bank reconciliations, we discovered that the County's only bank reconciliation was incorrectly prepared. There was an amount of \$665,775 of additional cash not recorded on the County's books. An amount of \$661,215 was not posted from New Mexico Finance Authority statements and an amount of \$4,560 was posted due to voided checks that were not properly voided. In addition, the cash balance by fund is incorrect per the Treasurers Report due to the County's pooling of cash.

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 inaccurate reconciliations is there are incorrect cash balances in the respective funds which caused them to be understated by \$665,775. In addition, auditors are unable to verify cash balances by fund to determine if they are correct.

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

Auditors' Recommendations: 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 (Material Weakness) (Continued)

Agency's Response: When new loans are set up the Program Funds and Reserve Funds must be recorded as cash. Journal entries will be made to record all cash.

FS 2007-16 Capital Assets (Material Weakness)

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.

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

Auditors' Recommendations: 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." In addition, we recommend the County hire or train an individual possessing knowledge and experience in governmental accounting especially in the area of capital assets maintenance. We also 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 current year, a resolution was passed by the Commission that establishes a \$5,000 capitalization amount. 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:

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

FS 2007-17 Property Tax Roll (Material Weakness and Noncompliance)

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’ Recommendations: 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.

A representative from Triadic has gone through the Addition & Deletion program and cannot find anything wrong with it. He has compared it to other Counties programs and says it is exactly the same. Although he is not sure what is causing the error, Triadic has added to the program to keep it from deleting a tax account twice, but it is possible that this error can still occur.

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

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 being reviewed by management, showing all changes made to payroll to ensure it reflects accurate and complete information.

FS 2008-01 Material Weaknesses in Internal Control over Financial Reporting (Material Weakness) (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 not 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 not 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.

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.
- (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.

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

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. 115 Appendix lists the following circumstances as possible control deficiency, significant deficiency, or material weakness, “inadequate documentation of the components of internal control.” SAS 115 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 (Material Weakness)

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 deficiencies:

- Material weaknesses, such as property tax receivable and capital assets have been repeated year after year.
- 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: 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 (Material Weakness) (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 2009-03 — Cash Appropriations in Excess of Available Cash Balances (Noncompliance)

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
Law Enforcement Special Revenue Fund	\$ 42,739	\$ 16,192	\$ 26,547
Adult Detention Center Special Revenue Fund	538,008	94,965	443,043
Legislative Appropriation FY 03/04 Capital Projects Fund	5,554	-	5,554
Legislative Appropriation FY 07/08 Capital Projects Fund	62,793	22,400	40,393
Legislative Appropriation FY 08/09 Capital Projects Fund	752,021	20,516	731,505
Legislative Appropriation FY 09/10 Capital Projects Fund	150,000	-	150,000

Criteria: Per Section 6-6-11 NMSA, it is unlawful for any board of county commissioners, municipal governing body for 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: The County has established a practice of preparing an Appropriated Cash Report at the beginning of the fiscal year to ensure that there is adequate cash or budgeted revenue. All subsequent Budget Resolutions will include revenue budgets as well as expense budgets.

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FS 2010-01 — Travel and Per Diem (Other Matter)

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' Recommendations: We recommend the County follow the Per Diem and Mileage Act when paying per diem and travel reimbursements.

Agency's Response: The County experienced employee turnover in the Accounts Payable position and the new Accounts Payable Specialist was unaware of the reimbursement rates. The County will implement a policy that the Accounts Payable Clerk will review all Travel Vouchers to ascertain the appropriate reimbursement rate.

FS 2010-04 – Expenditures in Excess of Budget (Noncompliance)

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

Farm and Range Special Revenue Fund	\$ 938
Juvenile Detention Special Revenue Fund	874
GRT- Regional Transit Special Revenue Fund	150,305
Older American Special Revenue Fund	266
EMS Special Revenue Fund	20
EMS- GRT Special Revenue Fund	37,788
Sheriff's GRT Special Revenue Fund	7,868
Fire GRT Special Revenue Fund	10,010
Cash in Lieu Special Revenue Fund	12,434
Meadow Lake Fire Department Debt Service Fund	80
Highland Meadow Fire Department Debt Service Fund	4
County Debt Service Fund	7,165,000

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 funds.

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

Agency's responses: The County's Finance Director has always ensured that this didn't occur. She was out on extended sick leave at year end and didn't resolve this matter. The County has the opportunity at this time to include a flag in the new software that will not allow a Purchase Order to be created if there is not sufficient budget to cover the request. Propose that this flag be implemented in the new software implementation.

FS 2010-06 — Cash Deposits not Made Timely (Significant Deficiency)

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.

FS 2011-01 Lack of Segregation of Duties in the Detention Center (Material Weakness)

Condition: The administrative assistant of the Adult Detention Center performs all the receipting, depositing, and disbursement duties and functions without review by another party. In addition, bank reconciliations were being prepared, but they are not reconciled to the control account to determine the amount is correct. There is not sufficient oversight implemented.

Criteria: Segregation of duties over receipts and disbursements is required to maintain proper and sufficient internal controls per Section 6.20.2.11 of NMAC.

Effect: Lack of adequate segregation of duties or a formal review process prevents the County from detecting errors or fraudulent activity on a timely basis.

Cause: The Adult Detention Center receipting and disbursement processes are decentralized. Management did not address lack of segregation of duties over the receipting and disbursement processes in this department.

Auditors' Recommendations: All receipts and disbursements for the Adult Detention Center should be processed through the County's centralized process.

Agency's Response: A new receipting procedure has been implemented by the new Director where several people are involved with the receipt and deposit of all funds. Additionally, the Director reviews and reconciles the bank deposits.

FS 2011-02 Insufficient Documentation and use of Credit Cards (Other Matter)

Condition: During our testwork, we noted the following:

- In 1 of the 12 credit card purchases tested, proper documentation could not be provided by the County.
- During credit card testwork we noted the County has been incurring inappropriate interest charges due to untimely payments being made.

Criteria: New Mexico Procurement Code 13-1-1 to 13-1-99, NMSA 1978, states that payments must be supported by valid receipts and that payment may only be made for valid charges.

Effect: The County may be paying for unallowable expenses. Inconsistent monitoring of compliance with requirements could result in abuse or fraud.

Cause: Employees are charging items without providing the County with appropriate documentation and the County is paying credit card charges without obtaining the corresponding receipts for charges.

Auditors' Recommendations: We recommend that the County require credit card holders to turn in receipts as charges are incurred. In the case of an occasional lost receipt, have the credit card holder sign and date an explanation as to the amount of the charge as well as the purpose of the charge.

Agency's Response: The prior Accounts Payable specialist had fallen behind in payments and collecting documentation because she was performing the duties for two positions. A new Accounts Payable Specialist has been hired and is aware of the documentation requirements and adheres to all Credit Card payment policies.

FS 2011-03 Internal Controls over Voided Checks (Material Weakness)

Condition: During our internal control evaluation over cash, we noted the following:

- There are insufficient internal controls over voided checks. When a check is voided the original copy is kept by the County but the check is not defaced nor signatures removed.

Criteria: NMAC 6.20.2.14 states that a public entity shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the Office of Management and Budget (OMB) Circular 102, and applicable state and federal laws and regulations.

Effect: This can increase the risk of fraudulent checks being written in the County's name.

Cause: The County has not implemented proper internal controls and procedures to cancel voided checks. Also, the County has not implemented proper internal controls to review the voided check.

Auditors' Recommendations: We recommend that the County review cash management procedures with the responsible individuals annually to ensure that all areas of cash have sufficient internal controls, including reviewing and defacing of voided checks.

Agency's Response: The County will implement cash management procedures and practices that will ensure that all areas of cash have sufficient internal controls, including reviewing and defacing of voided checks.

FS 2011-04 Internal Controls over Disbursements (Significant Deficiency)

Condition: During our internal control testwork we noted the following deficiencies:

- In three out of fifty disbursements tested, we noted that invoices were not stamped RECEIVED indicating that recipient compared goods or services received against the invoice per the County's internal control procedures.
- In twenty one out of fifty disbursements tested, we noted that invoices were not stamped PAID per the County's internal control procedures.
- In four of five disbursements tested from the indigent fund, we noted there was not sufficient documentation that met all eligibility requirements for the disbursement to be made.

Criteria: The County's internal control procedures state that invoices be marked RECEIVED indicating that all goods and services were received and payment is approved. The County's internal control procedures state that invoices be marked PAID after disbursements are processed in order to prevent duplicate payments.

The Committee of Sponsoring Organizations (COSO) recommends a control framework consisting of Control Environment, Risk Assessment, Monitoring, Control Activities and Information and Communication.

Effect: The County could be making payments for goods not received or be making duplicate payments.

Cause: The oversights were the result of changes in staff and inadequate training.

Auditor's Recommendations: We recommend that the County train staff on internal control procedures and ensure that procedures are in place that follows the COSO recommended framework.

Agency's Response: The County has trained staff on internal control procedures and practices that follows the COSO recommended framework.

FEDERAL AWARD FINDINGS:

FA 2011-01 Davis Bacon Certified Payroll Compliance (Significant Deficiency)

Federal program information:

Funding agency:	Department of Energy
Title:	Energy Efficiency and Conservation Block Grant
CFDA#	81.128
Award period:	September 28, 2009 to September 27, 2011

Condition: During our testwork of Davis Bacon certified payroll compliance, it was noted that the County did not obtain certified payroll reports for construction wages paid in January through April 2011, until reports were requested by the auditors in August of 2011.

Criteria: U.S. Department of Labor (DOL) regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed.

Effect: The County could be contracting with construction entities that do not pay the required prevailing wages for federal construction projects.

Cause: The County was unaware of the prevailing wage compliance requirement.

Questioned Costs: None

Auditor's Recommendations: We recommend that the County implement procedures to ensure all construction projects paid through federal awards submit the required Certified Payroll reports.

Agency's Response: The County will require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed.

FA 2011-02 Unallowable Costs (Significant Deficiency)

Federal program information:

Funding agency:	Department of Health and Human Services
Cluster:	Aging Cluster
Title:	Special Programs for the Aging-Title III Part B Special Programs for the Aging-Title III Part C Nutrition Services Incentive Program
CFDA#	93.045 93.044 93.053
Award period:	July 1, 2010 to June 30, 2011

FA 2011-02 Unallowable Costs (Significant Deficiency) (Continued)

Condition: During our testwork of Allowable Costs, we found the following conditions:

- a. The County was unaware of OMB allowable cost circulars A-87 and OMB A-133 Part 4 Compliance Supplements.
- b. One instance of non-domestic commodities purchased with Nutrition Services Incentive Program funds.

Criteria: OMB Circular A-133 Part 3 states that recipients of federal awards must review disbursements for allowable costs per the guidance at OMB Circular A-87. OMB Circular A-133 Part 4 section A and 42 USC 3030a(d)(4) state that Nutrition Services Incentive Program funds may only be used to purchase domestically produced foods for their nutrition projects.

Effect: The County could be disbursing federal funds for unallowable costs.

Cause: The County was unaware of compliance requirement guidance.

Questioned Costs: \$67

Auditor's Recommendations: We recommend that the County implement procedures to ensure all disbursements are compared against allowable cost circulars.

Agency's Response: This was the result of a coding error. It was coded to a Federal fund rather than a state fund in error.

FA 2011-03 Reporting – (Significant Deficiency)

Federal program information:

Funding agency:	Department of Health and Human Services
Cluster:	Aging Cluster
Title:	Special Programs for the Aging-Title III Part B Special Programs for the Aging-Title III Part C Nutrition Services Incentive Program
CFDA#	93.045 93.044 93.053
Award period:	July 1, 2010 to June 30, 2011

Condition: During our testwork of Reporting requirements it was noted that the County was unaware of reporting requirements and the relationship between reports filed and revenues received. It was also noted the County did not file the required Quarterly Financial Reporting SF-425.

Criteria: OMB Circular A-133 Part 3 states that recipients of federal awards must file Financial Reports and Section 1512 ARRA reports.

Effect: The County could be at risk of losing future federal awards.

Cause: The County was unaware of compliance requirements.

Questioned Costs: none

Auditor's Recommendations: We recommend that the County implement procedures to ensure all required financial reports are filed.

Agency's Response: The County will implement procedures to ensure all required financial reports are filed.

FA 2011-04 Internal Controls over Compliance Requirements that are Direct and Material (Significant Deficiency)

Federal program information:

Funding agency:	All major programs
	All major programs
	All major programs

Condition: During our review of all major programs, it was noted that the County did not have adequate internal controls over the following federal compliance requirements that are direct and material to the respective program.

- Activities Allowed/Unallowed
- Allowable Cost/Cost Principles
- Davis Bacon
- Suspension and Debarment
- Reporting

Criteria: The OMB Circular A-133 states that recipients of federal awards must maintain adequate internal controls over compliance. The Committee of Sponsoring Organizations (COSO) recommends a control framework consisting of Control Environment, Risk Assessment, Monitoring, Control Activities and Information and Communication.

Effect: The County could be non-compliant with federal standards or regulations which could potentially decrease federal funding received.

Cause: The County relies on contracting entities to ensure federal compliance. In doing so, the County is not performing adequate monitoring and oversight over compliance.

Questioned Costs: None

Auditors' Recommendation: We recommend that the County implement an internal control policy and procedures over federal compliance requirements based on the COSO recommended internal control framework.

Agency's Response: The County will implement internal control policies and procedures over federal compliance requirements based on the COSO recommended internal control framework.

FA 2011-05 Excluded Parties List (Significant Deficiency)

Federal program information:

Funding agency:	All major programs
Title:	All major programs
CFDA number:	All major programs
Award period:	July 1, 2010 to June 30, 2011

Condition: During our review of procurement for all major programs tested, it was noted that the County does not reference the Excluded Parties List System, for contracts of goods or services in which more than \$25,000 is expended.

Criteria: The OMB A-133 Compliance Supplement Part 3-Compliance Requirements I- Procurement Suspension and Debarment stipulates non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered Transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction that is expected to equal or exceed \$25,000 or meet other certain specified criteria.

Effect: The County could be contracting with vendors for services or goods that are included on the suspension and debarment listing which could potentially decrease federal funding received since this is considered non-compliance.

Cause: The County was unaware the Excluded Parties List System website existed.

Questioned Costs: None

Auditors' Recommendations: We recommend that the County implement procedures to ensure all vendors for services and goods over \$25,000 be verified that they do not exist on the suspension and debarment listing.

Agency's Response: The County will implement procedures to ensure all vendors for services and goods over \$25,000 be verified that they do not exist on the suspension and debarment listing by performing a search on the Federal Website epls.gov.

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Schedule VII
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STATUS OF PRIOR YEAR FINDINGS:

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

FS 2007-12 — No ten Year 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 2008-01— Material Weaknesses in Internal Control Structure Design, Operation, and Oversight – Repeated and Modified

FS 2008-02— Stale Dated Checks – Resolved

FS 2009-01— Entity-Wide Control Deficiency – Repeated and Modified

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

FS 2010-01— Travel and Per Diem – Repeated

FS 2010-03— Gas Inventory – Resolved

FS 2010-04— Expenditures in Excess of Budget – Repeated

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

FS 2010-06— Cash Deposits not Made Timely – Repeated

STATE OF NEW MEXICO

Valencia County
Other Disclosures
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OTHER DISCLOSURES

Exit Conference

An exit conference was conducted on November 14, 2011, with the following individuals:

Valencia County

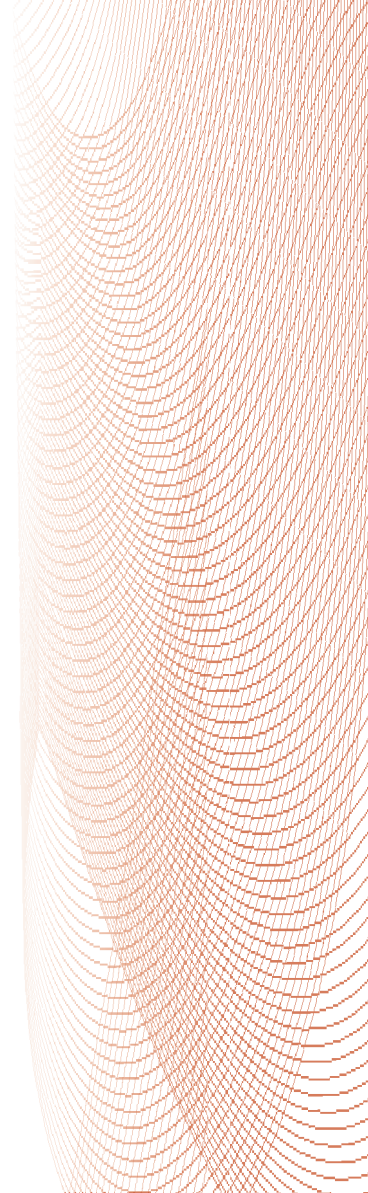
Eric Zamora, County Manager
Georgia Otero-Kirkham, Commission Chairman
Wilma Abril, Finance Director
Diana Martinez-Coplen, Deputy Treasurer
Kendra Kaneshiro, Bookkeeper
Lucy Gonzales, Bookkeeper
Larry Trussel, Budget Analyst
Kenneth Griego, Business Manager

Accounting & Consulting Group, LLP

Ray Roberts, CPA, Partner

Auditor Prepared Financial Statements

Accounting and Consulting Group, LLP prepared the GAAP-basis financial statements and footnotes of Valencia County from the original books and records provided to them by the management of the County. The responsibility for the financial statements remains with the County.



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