

**STATE OF NEW MEXICO
VALENCIA COUNTY**

Annual Financial Report

June 30, 2012

INTRODUCTORY SECTION

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Valencia County
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STATE OF NEW MEXICO

Valencia County

Official Roster

June 30, 2012

BOARD OF COUNTY COMMISSIONERS

Donald Holliday	Chairman
Georgia Otero-Kirkham	Vice – Chair
Mary Andersen	Member
Lawrence Romero	Member
Ron Gentry	Member

ELECTED OFFICIALS

Sally Perea	County Clerk
Dorothy Lovato	County Treasurer
Viola Garcia – Vallejos	County Assessor
Louis Burkhard	County Sherriff
Jaime Baca	County Probate Judge

ADMINISTRATIVE OFFICIALS

Bruce Swingle	County Manager
Nick Telles	Finance Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To Hector H. Balderas
New Mexico State Auditor and
Valencia County Commissioners
Valencia County
Las Lunas, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Valencia County, New Mexico (the County) as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's Nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2012 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 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 reasonable 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 as described in the preceding paragraphs, the financial statements referred to previously 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, 2012, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principals 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 as described in the preceding paragraphs, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County as of June 30, 2012, and the respective changes in financial position and the respective budgetary comparisons for the major capital project funds, debt service funds and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2012 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The additional schedules listed as other supplemental schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Albuquerque, New Mexico
December 21, 2012

BASIC FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
 VALENCIA COUNTY
 STATEMENT OF NET ASSETS
 June 30, 2012**

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 7,646,239
Investments	3,708,806
Receivables:	
Property taxes receivable	3,254,477
Due from other governments	1,457,232
Other receivables	58,323
Prepaid expenses	688,590
Inventory	<u>24,910</u>
Total current assets	<u>16,838,577</u>
Noncurrent Assets	
Restricted cash and cash equivalents	987,875
Capital assets	75,417,375
Less: accumulated depreciation	<u>(32,856,521)</u>
Total noncurrent assets	<u>43,548,729</u>
Total assets	<u><u>\$ 60,387,306</u></u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
 VALENCIA COUNTY
 STATEMENT OF NET ASSETS (CONTINUED)
 June 30, 2012**

	<u>Governmental Activities</u>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 795,743
Accrued payroll expenses	201,484
Accrued interest	57,297
Current portion of accrued compensated absences	334,605
Current portion of capital leases payable	199,617
Current portion of bonds and notes payable	<u>970,146</u>
Total current liabilities	<u>2,558,892</u>
Noncurrent liabilities	
Noncurrent portion of accrued compensated balances	67,779
Landfill liability	445,000
Noncurrent portion of capital leases payable	144,740
Noncurrent portion of bonds and notes payable	<u>6,946,464</u>
Total noncurrent liabilities	<u>7,603,983</u>
Total liabilities	<u>10,162,875</u>
NET ASSETS	
Invested in capital assets, net of related debt	34,674,887
Restricted for	
Debt service	1,808,506
Capital projects	1,266,983
Other purposes-special revenue	5,026,304
Unrestricted	<u>7,447,751</u>
Total net assets	<u>50,224,431</u>
Total net assets and liabilities	<u>\$ 60,387,306</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
VALENCIA COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Primary government					
General government	\$ 8,244,575	1,474,585	1,856,149	679,894	(4,233,947)
Public safety	12,888,960	913,634	962,731	-	(11,012,595)
Public works	2,618,290	13,670	481,502	-	(2,123,118)
Culture and recreation	838,208	-	477,112	-	(361,096)
Health and welfare	1,263,696	-	95,081	-	(1,168,615)
Interest on long-term debt	509,224	-	-	-	(509,224)
Transfer out, agency funds	(15,239)	-	-	-	(15,239)
<i>Total governmental activities</i>	<u>\$ 26,347,714</u>	<u>2,401,889</u>	<u>3,872,575</u>	<u>679,894</u>	<u>(19,423,834)</u>
General Revenue and Special Items:					
Taxes					
Property taxes, levied for general purpose and debt service					12,053,820
Gross receipts taxes					7,045,113
Gasoline, motor vehicle and cigarette taxes					816,378
Investment loss					(25,591)
Miscellaneous income					146,571
Total general revenues and special items					<u>20,036,291</u>
Change in net assets					612,457
Net assets, beginning					<u>49,611,974</u>
Net assets, ending					<u>\$ 50,224,431</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
VALENCIA COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2012

	General Fund	Road	County Indigent Claims
Assets			
Cash and cash equivalents	\$ 1,214,870	-	2,141,446
Investments	3,108,806	-	600,000
Property taxes receivable	207,194	-	-
Due from other governments	274,247	66,072	178,384
Other receivables	-	-	-
Prepaid expenses	477,105	35,774	3,657
Inventory	-	24,910	-
Due from other funds	572,342	-	-
<i>Total assets</i>	<u>\$ 5,854,564</u>	<u>126,756</u>	<u>2,923,487</u>
Liabilities and fund balances			
<i>Liabilities</i>			
Accounts payable	\$ 89,564	12,925	182,914
Accrued payroll expenses	69,565	19,970	1,095
Due to other funds	-	186,535	-
<i>Total liabilities</i>	<u>159,129</u>	<u>219,430</u>	<u>184,009</u>
<i>Fund balances</i>			
Nonspendable			
Prepaid expenses	477,105	35,774	3,657
Inventory	-	24,910	-
Spendable			
Restricted for:			
General county operations	-	-	-
Maintenance of roads	-	-	-
Fire departments	-	-	-
Older American programs	-	-	-
Public safety	-	-	-
Healthcare	-	-	2,735,821
Recreation	-	-	-
Capital improvements and acquisitions	-	-	-
Debt service expenditures	-	-	-
Committed to:			
Minimum fund balance	3,651,928	254,933	-
Senior center	-	-	-
Unassigned	1,566,402	(408,291)	-
<i>Total fund balances</i>	<u>5,695,435</u>	<u>(92,674)</u>	<u>2,739,478</u>
<i>Total liabilities and fund balances</i>	<u>\$ 5,854,564</u>	<u>126,756</u>	<u>2,923,487</u>

See Notes to Financial Statements.

Fire Protection	Adult Detention Center	Other Governmental Funds	Total
472,326	-	4,805,472	8,634,114
-	-	-	3,708,806
-	-	15,286	222,480
175,002	-	763,527	1,457,232
-	-	58,323	58,323
36,866	114,404	20,784	688,590
-	-	-	24,910
-	-	167,226	739,568
684,194	114,404	5,830,618	15,534,023
229,029	94,577	186,734	795,743
-	43,234	67,620	201,484
151,478	162,550	239,005	739,568
380,507	300,361	493,359	1,736,795
36,866	114,404	20,784	688,590
-	-	-	24,910
-	-	999,208	999,208
-	-	224,367	224,367
-	-	439,886	439,886
-	-	16,175	16,175
266,821	-	1,026,509	1,293,330
-	-	-	2,735,821
-	-	98,826	98,826
-	-	1,316,688	1,316,688
-	-	1,332,600	1,332,600
-	-	-	3,906,861
-	-	24,981	24,981
-	(300,361)	(162,765)	694,985
303,687	(185,957)	5,337,259	13,797,228
684,194	114,404	5,830,618	15,534,023

**STATE OF NEW MEXICO
VALENCIA COUNTY
RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
Year Ended June 30, 2012**

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

Fund balances - total governmental funds	\$ 13,797,228
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of capital assets	75,417,375
Accumulated depreciation	<u>(32,856,521)</u>
Total capital assets	42,560,854
The Statement of Net Assets reflect property tax receivables on the full accrual method while the governmental funds receivables reflect only the balance that is considered to be a current economic resource	
	3,031,997
Accrued interest is not due and payable with current financial resources and, therefore, is not reported in the funds	
	(57,297)
Certain liabilities, including bonds payable and current and long-term portions of accrued compensated absences, and not due and payable in the current period and therefore are not reported in the funds:	
Bonds and notes payable	(7,916,610)
Capital leases	(344,357)
Landfill liability	(445,000)
Compensated absences	<u>(402,384)</u>
Net assets - governmental activities (Statement of Net Assets)	<u><u>\$ 50,224,431</u></u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
VALENCIA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2012**

	General Fund	Road	County Indigent Claims
Revenues			
Taxes:			
Property	\$ 9,946,610	-	-
Gross receipts	1,031,193	-	1,488,200
Gasoline, motor vehicle and cigarette taxes	366,451	449,927	-
Intergovernmental:			
Federal operating grants	147,880	10,077	-
State operating grants	1,700,645	397,641	5,330
State capital grants	-	-	-
Charges for services	421,141	470	-
Licenses and fees	784,284	13,200	-
Investment income	(27,448)	-	654
Miscellaneous	14,449	19,111	-
Total revenues	14,385,205	890,426	1,494,184
Expenditures			
Current			
General government	4,615,473	-	-
Public safety	3,799,405	-	-
Public works	-	2,122,432	-
Culture and recreation	-	-	-
Health and welfare	-	-	1,078,297
Capital outlay	181,819	936,768	-
Debt service:			
Principal	100,062	-	-
Interest	-	-	-
Bond issuance cost	-	-	-
Total expenditures	8,696,759	3,059,200	1,078,297
Excess (deficiency) of revenues over expenditures	5,688,446	(2,168,774)	415,887
Other Financing Sources (Uses)			
Transfers in	777,341	1,647,039	-
Proceeds from issuance of debt	288,496	-	-
Transfers out, governmental funds	(6,184,210)	-	-
Transfers out, agency funds	(15,239)	-	-
Total other financing sources (uses)	(5,133,612)	1,647,039	-
Net change in fund balances	554,834	(521,735)	415,887
Fund balance - beginning of year	5,140,601	429,061	2,323,591
Fund balance - end of year	\$ 5,695,435	(92,674)	2,739,478

See Notes to Financial Statements.

Fire Protection	Adult Detention Center	Other Governmental Funds	Total
-	-	1,000,890	10,947,500
734,954	-	3,790,766	7,045,113
-	-	-	816,378
-	-	234,099	392,056
511,065	355,042	510,796	3,480,519
-	-	679,894	679,894
-	104,904	810,560	1,337,075
-	-	267,330	1,064,814
-	-	1,203	(25,591)
1,000	175	111,836	146,571
1,247,019	460,121	7,407,374	25,884,329
-	-	2,760,874	7,376,347
1,153,570	3,135,468	3,325,126	11,413,569
-	-	144,675	2,267,107
-	-	728,226	728,226
-	-	79,554	1,157,851
420,400	-	1,142,390	2,681,377
-	-	760,374	860,436
-	-	509,224	509,224
-	-	-	-
1,573,970	3,135,468	9,450,443	26,994,137
(326,951)	(2,675,347)	(2,043,069)	(1,109,808)
-	2,353,981	2,210,784	6,989,145
-	-	742,165	1,030,661
-	-	(804,935)	(6,989,145)
-	-	-	(15,239)
-	2,353,981	2,148,014	1,015,422
(326,951)	(321,366)	104,945	(94,386)
630,638	135,409	5,232,314	13,891,614
303,687	(185,957)	5,337,259	13,797,228

**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
 Year Ended June 30, 2012**

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

Net change in fund balances - total governmental funds	\$	(94,386)
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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	2,681,377
Depreciation expense	(2,837,127)

Revenue in the Statement of Activities that do not provide current financial resources are not recorded as revenue in the funds	1,106,321
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The issuance of long-term (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	9,580
Increase in accrued interest	(16,125)
Increase in landfill liability	(10,000)
Write-off of bond issuance costs	(56,958)
Proceeds from issuance of debt	(1,030,661)
Principal payments on long-term debt	<u>860,436</u>

Change in net assets governmental activities	\$	<u>612,457</u>
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See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 8,828,480	8,828,480	10,080,868	1,252,388
Gross receipts	1,000,000	1,000,000	1,031,193	31,193
Gasoline, motor vehicle and cigarette taxes	350,000	350,000	366,451	16,451
Intergovernmental:				
Federal operating grants	-	145,000	147,880	2,880
State operating grants	1,500,000	1,500,000	1,700,645	200,645
State capital grants	-	-	-	-
Charges for services	350,000	350,000	421,141	71,141
Licenses and fees	695,000	695,000	784,284	89,284
Investment income	-	-	(27,448)	(27,448)
Miscellaneous	-	-	14,449	14,449
Total revenues	12,723,480	12,868,480	14,519,463	1,650,983
Expenditures				
Current:				
General government	5,195,369	5,220,932	4,547,018	673,914
Public safety	3,800,000	3,807,688	3,997,001	(189,313)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	190,000	309,437	181,819	127,618
Debt service:				
Principal	-	-	100,062	(100,062)
Interest	-	-	-	-
Total expenditures	9,185,369	9,338,057	8,825,900	512,157
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,538,111</u>	<u>3,530,423</u>	<u>5,693,563</u>	<u>2,163,140</u>
<i>Other financing sources (uses)</i>				
Transfers in	700,000	700,000	777,341	77,341
Proceeds from issuance of debt	-	-	288,496	288,496
Transfers out, governmental funds	(6,045,840)	(6,045,840)	(6,184,210)	(138,370)
Transfers out, agency funds	-	-	(15,239)	(15,239)
Total other financing sources (uses)	<u>(5,345,840)</u>	<u>(5,345,840)</u>	<u>(5,133,612)</u>	<u>212,228</u>
Net change in fund balance	\$ (1,807,729)	(1,815,417)	559,951	2,375,368
Changes in accounts receivable			(134,258)	
Changes in accounts payable			(68,455)	
Changes in accrued liabilities			197,596	
Net change in fund balance (GAAP Basis)			<u>\$ 554,834</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 ROAD - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Gasoline, motor vehicle and cigarette taxes	376,654	401,970	497,523	95,553
Intergovernmental:				
Federal operating grants	-	7,750	10,077	2,327
State operating grants	365,000	365,000	397,641	32,641
State capital grants	-	-	-	-
Charges for services	-	-	470	470
Licenses and fees	10,000	10,000	13,200	3,200
Investment income	-	-	-	-
Miscellaneous	-	1,000	19,111	18,111
Total revenues	751,654	785,720	938,022	152,302
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	2,304,240	2,331,765	1,992,171	339,594
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,000,000	1,030,000	936,768	93,232
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,304,240	3,361,765	2,928,939	432,826
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,552,586)</u>	<u>(2,576,045)</u>	<u>(1,990,917)</u>	<u>585,128</u>
<i>Other financing sources (uses)</i>				
Transfers in	2,534,586	2,537,169	1,647,039	(890,130)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>2,534,586</u>	<u>2,537,169</u>	<u>1,647,039</u>	<u>(890,130)</u>
Net change in fund balance	\$ (18,000)	(38,876)	(343,878)	(305,002)
Changes in accounts receivable			(47,596)	
Changes in accounts payable			(165,904)	
Changes in accrued liabilities			35,643	
Net change in fund balance (GAAP Basis)			<u>\$ (521,735)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 COUNTY INDIGENT CLAIMS - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	1,058,275	1,058,275	1,500,371	442,096
Gasoline, motor vehicle and cigarette taxes	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	5,330	5,330
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	654	654
Miscellaneous	-	-	-	-
Total revenues	1,058,275	1,058,275	1,506,355	448,080
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,443,600	1,443,600	1,024,674	418,926
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,443,600	1,443,600	1,024,674	418,926
<i>Excess (deficiency) of revenues over expenditures</i>	(385,325)	(385,325)	481,681	867,006
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ (385,325)	(385,325)	481,681	867,006
Changes in accounts receivable			(12,171)	
Changes in accounts payable			(54,993)	
changes in accrued liabilities			1,370	
Net change in fund balance (GAAP Basis)			\$ 415,887	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 FIRE PROTECTION - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	758,926	758,926	559,952	(198,974)
Gasoline, motor vehicle and cigarette taxes	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	69,353	511,065	441,712
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	1,000	1,000
Total revenues	758,926	828,279	1,072,017	243,738
Expenditures				
Current:				
General government	-	-	-	-
Public safety	758,926	827,939	776,272	51,667
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	420,400	(420,400)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	758,926	827,939	1,196,672	(368,733)
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>340</u>	<u>(124,655)</u>	<u>(124,995)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ -	340	(124,655)	(124,995)
Changes in accounts receivable			175,002	
Changes in accounts payable			(377,298)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			\$ (326,951)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 ADULT DETENTION CENTER - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	470,000	470,000	423,688	(46,312)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	104,904	104,904
Miscellaneous	-	-	175	175
Total revenues	470,000	470,000	528,767	58,767
Expenditures				
Current:				
General government	-	-	-	-
Public safety	3,000,000	3,000,000	2,957,379	42,621
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,000,000	3,000,000	2,957,379	42,621
<i>Excess (deficiency) of revenues over expenditures</i>	(2,530,000)	(2,530,000)	(2,428,612)	101,388
<i>Other financing sources (uses)</i>				
Transfers in	2,653,313	2,653,313	2,353,981	(299,332)
Transfers out	-	-	-	-
Total other financing sources (uses)	2,653,313	2,653,313	2,353,981	(299,332)
Net change in fund balance	\$ 123,313	123,313	(74,631)	(197,944)
Changes in accounts receivable			(68,646)	
Changes in accounts payable			(224,908)	
Changes in accrued liabilities			46,819	
Net change in fund balance (GAAP Basis)			\$ (321,366)	

See Notes to Financial Statements.

**STATE OF NEW MEXICO
 VALENCIA COUNTY
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended June 30, 2012**

Assets

Cash and cash equivalents	\$ 16,067,457
Property taxes receivable	<u>7,078,276</u>

<i>Total assets</i>	<u><u>\$ 23,145,733</u></u>
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Liabilities

Deposits held in trust for others	\$ 601,073
Deposits held in trust for hospital levy	14,788,258
Deposits held in trust for other taxing entities	678,126
Due to other taxing entities	<u>7,078,276</u>

<i>Total liabilities</i>	<u><u>\$ 23,145,733</u></u>
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See Notes to Financial Statements.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 non-fiduciary 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

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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 is 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, 2012**

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.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

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

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.

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 *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 *Fire Protection Special Revenue Fund* was created 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.

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.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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.

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

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

when levied net of estimated refunds and uncollectible amounts, if applicable. Based upon management's estimate, all receivables are deemed fully collectible.

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 expenditures 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) is 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.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Building and improvements	40-50 years
Equipment	5-20 years
Infrastructure	30-40 years

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2012, along with applicable PERA, FICA, Retiree Health Care contributions, and Medicare payable.

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

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. Bond premiums and discounts, as well as issuance costs, are expensed as incurred. Bonds payable are reported net of the applicable bond premium or discount. There were no bond premiums or discounts at June 30, 2012. 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.

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.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Non-spendable Fund Balance: At June 30, 2012, the non-spendable fund balances in the funds are made up of inventory in the amount of \$24,910 and prepaid expenses in the amount of \$688,590 that are not in spendable form.

Restricted and Committed Fund Balance: At June 30, 2012, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$7,996,547 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 \$2,607,093 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 11-12.

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 27-28 and 50-56.
- 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.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for Valencia County include management's estimate of the allowance for uncollectible accounts for property taxes, depreciation on assets over their estimated useful lives and accrued compensated absences.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

The 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, 2012. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on the individual comparison statements.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 3. DEPOSITS AND INVESTMENTS

State statute 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, 2012.

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.

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. 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. All time and savings deposits owned by the County and held in an insured depository institution within New Mexico are added together and insured up to \$250,000. Separately, all demand deposits owned by the County and held in an insured depository institution within New Mexico are added together and insured up to \$250,000.

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, 2012, \$28,383,103 of the County's deposits was exposed to custodial credit risk. \$19,971,671 was uninsured and collateralized by collateral held by the pledging bank's department or agent, not in the County's name, and no remaining funds were uninsured and uncollateralized.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2012, the County’s investment of \$4,380 in the State Treasurer Local Government Investment Pool – Reserve Contingency Fund was unrated.

As of June 30, 2012, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (WAM)</u>
New MexiGROW LGIP	AAAm	\$ 31,435	60 days
LGIP Reserve Contingency Fund	Unrated	\$ 4,380	Non-Performing Asset
NM Bank and Trust Money Market	Unrated	\$ 1,520,056	0 days
Bank of the West Money Market	Unrated	\$ 52,935	0 days
Certificate of Deposit	Unrated	\$ 2,100,000	< 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 County holds certificates of deposit approximating 40.99% and 56.62% of the investment portfolio with two financial institutions. Since each institution has pledged collateral on those investments, 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.

A reconciliation of cash and investments for the County is on page 134.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 4. RECEIVABLES

Receivables as of June 30, 2012 consisted of the following. All receivables as of June 30, 2012 were deemed to be fully collectible.

	General Fund	Road Fund	County Indigent Claims Fund	Fire Protection Fund	Other Governmental Funds	Total
Property taxes: \$	207,194	-	-	-	15,286	222,480
Due from other governments:	274,247	66,072	178,384	175,002	763,527	1,457,232
Other receivables:	-	-	-	-	58,323	58,323
Allowance for doubtful accounts:	-	-	-	-	-	-
Total: \$	481,441	66,072	178,384	175,002	837,136	1,738,035

Property taxes receivable in the amount of \$3,254,477 reported on the Statement of Net Assets, at June 30, 2012, includes \$3,031,997 that is not considered a current economic resource; therefore, excluded from the Statement of Revenues, Expenditures and Changes in Fund Balances.

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	Transfers In	Transfers Out
From County Debt Service to: Bonds/Judicial Renovation	\$ 785,106	785,106
	<u>\$ 785,106</u>	<u>785,106</u>

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

<u>Governmental Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 777,341	6,184,210
Road	1,647,039	-
Adult Detention Center	2,353,981	-
Farm and Range	1,272	-
Juvenile Detention	394,133	-
CDBG	10,622	-
Solid Waste GRT	318,175	-
Title III-B	13,825	-
Title C-1	26,503	-
Title C-2	132,476	-
Legislative Appropriation FY 02/03	-	19,829
Legislative Appropriation FY 03/04	103,771	-
Legislative Appropriation FY 04/05	104,221	-
Legislative Appropriation FY 06/07	288,270	-
Legislative Appropriation FY 07/08	26,679	-
Legislative Appropriation FY 08/09	5,731	-
	<u>\$ 6,204,039</u>	<u>6,204,039</u>

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, 2012 is as follows:

<u>Governmental Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 572,342	-
Road	-	186,535
Fire Protection	-	151,478
Adult Detention Center	-	162,550
Farm and Range	-	645
Juvenile Detention	-	91,113
GRT Regional Transit	151,478	-
Bioterrorist Preparedness	-	444
Wildlife Fire Reimbursement	-	15,148
Solid Waste GRT	-	27,849
Homeland Security	-	3,245
Title III-B	-	14,948
Title C-1	-	700
Title C-2	\$ 14,948	35,208

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The composition of interfund balances as of June 30, 2012, continued from page 37, is as follows:

<u>Governmental Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Legislative Appropriation FY 08/09	\$ 800	-
Legislative Appropriation FY 09/10	-	4,004
Legislative Appropriation FY 10/11	-	16,938
Legislative Appropriation FY 11/12	-	28,763
	<u>\$ 739,568</u>	<u>739,568</u>

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

NOTE 6. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2012 follows:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance June 30, 2012</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,679,297	-	-	3,679,297
Construction in progress	12,495,519	-	11,738,777	756,742
Total capital assets not being depreciated	<u>16,174,816</u>	-	<u>11,738,777</u>	<u>4,436,039</u>
Capital assets being depreciated				
Buildings and improvements	20,396,856	3,521,633	-	23,918,489
Equipment	20,047,236	2,681,377	-	22,728,613
Infrastructure	16,117,090	8,217,144	-	24,334,234
Total capital assets being depreciated	<u>56,561,182</u>	<u>14,420,154</u>	-	<u>70,981,336</u>
Less accumulated depreciation:				
Buildings and improvements	11,861,177	597,962	-	12,459,139
Equipment	10,951,498	1,428,024	-	12,379,522
Infrastructure	7,206,719	811,141	-	8,017,860
Total accumulated depreciation	<u>30,019,394</u>	<u>2,837,127</u>	-	<u>32,856,521</u>
Total capital assets, net of depreciation	<u>\$ 42,716,604</u>	<u>11,583,027</u>	<u>11,738,777</u>	<u>42,560,854</u>

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 6. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2012 was charged to the following functions:

General Government	\$	936,253
Public Safety		1,475,307
Public Works		283,713
Culture and Recreation		<u>141,854</u>
 Total depreciation expense	\$	<u><u>2,837,127</u></u>

NOTE 7. LONG-TERM DEBT

During the year ended June 30, 2012, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	Balance June 30 2011	Additions	Deletions	Balance June 30 2012	Due Within One Year
Governmental activities					
Bonds:					
GO Bonds - Series 2011 - Judicial Complex	\$ 6,665,000	-	685,000	5,980,000	750,000
GO Bonds - Series 2011- Public Safety Bonds	<u>425,000</u>	-	-	<u>425,000</u>	<u>50,000</u>
Subtotal bonds	<u>7,090,000</u>	-	<u>685,000</u>	<u>6,405,000</u>	<u>800,000</u>
NMFA loans:					
Jarales/Pueblitos Fire Dept. Truck	-	112,966	2,504	110,462	11,455
El Cerro Fire Department Truck	-	177,625	-	177,625	15,000
Los Chavez Fire Pumper	-	248,574	-	248,574	20,003
Manzano Vista Fire Dept. Truck	-	203,000	-	203,000	17,925
Meadow Lake Fire Department	92,312	-	32,754	59,558	33,296
Highland Meadow Pumper	115,249	-	12,801	102,448	13,199
Fire/EMS Response Truck	293,496	-	27,315	266,181	27,489
Tome Adelino Fire Department	<u>343,762</u>	-	-	<u>343,762</u>	<u>31,779</u>
Subtotal NMFA loans	<u>844,819</u>	<u>742,165</u>	<u>75,374</u>	<u>1,511,610</u>	<u>170,146</u>
Total bonds and NMFA Loans	\$ <u>7,934,819</u>	<u>742,165</u>	<u>760,374</u>	<u>7,916,610</u>	<u>970,146</u>

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 7. LONG-TERM DEBT (CONTINUED)

	Balance June 30 2011	Additions	Deletions	Balance June 30 2012	Due Within One Year
Governmental activities					
Capital Leases:					
Key Government Finance Inc.	\$ 22,247	-	13,859	8,388	8,388
John Deere Motor Grader	133,676	-	14,325	119,351	119,351
Caterpillar Financial B9D02050	-	61,169	17,477	43,692	17,477
Caterpillar Financial B9D02054	-	61,169	17,477	43,692	17,477
Caterpillar Financial B9M00959	-	82,926	18,428	64,498	18,428
Caterpillar Financial B9D02780	-	83,232	18,496	64,736	18,496
Total capital leases	\$ 155,923	288,496	100,062	344,357	199,617
Accrued compensated absences	\$ 411,964	302,605	312,185	402,384	334,605
Total long-term debt	\$ 8,502,706	1,333,266	1,172,621	8,663,351	1,504,368

Bonds Payable

On 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 0.63% to 2.76%. Principal payments are due annually on August 1 while interest payments are due semi-annually in August and February. The bond repayment ends in August 1, 2018.

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2013	\$ 750,000	107,506	857,506
2014	785,000	99,807	884,807
2015	810,000	89,500	899,500
2016	890,000	75,836	965,836
2017	890,000	58,392	948,392
2018-2019	1,855,000	49,920	1,904,920
	\$ 5,980,000	480,961	6,460,961

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 7. LONG-TERM DEBT (CONTINUED)

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>
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	65,000	4,698	69,698
2018-2019	135,000	4,127	139,127
	<u>\$ 425,000</u>	<u>38,632</u>	<u>463,632</u>

NMFA Revenue Notes

The County entered into several loan agreements with the New Mexico Finance Authority, wherein the County pledged revenue derived from New Mexico Fire Protection Allotments to cover debt service. This revenue is subject to intercept agreements.

<u>Description</u>	<u>Date of Issue</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance June 30, 2012</u>
Meadow Lake Fire Dept.	October 19, 2007	May 1, 2018	1.798%	\$ 333,334	59,558
Highland Meadow Pumper	September 19, 2008	May 1, 2019	3.477%	137,025	102,448
Fire/EMS Response Truck	May 13, 2011	May 1, 2021	2.748%	293,496	266,181
Tome Adelino Fire Pumper	June 10, 2011	May 1, 2022	2.643%	343,762	343,762
Jarales/Pueblitos Fire Truck	October 28, 2011	May 1, 2021	0.582%	112,966	110,462
El Cerro Fire Truck	October 28, 2011	May 1, 2022	1.102%	177,625	177,625
Manzano Vista Fire Truck	October 28, 2011	May 1, 2022	1.907%	203,000	203,000
Los Chavez Fire Pumper	January 27, 2012	May 1, 2023	2.050%	248,574	248,574
Total NMFA Revenue Notes				<u>\$ 1,849,782</u>	<u>1,511,610</u>

The annual requirements to amortize the NMFA Revenue Notes as of June 30, 2012, including interest payments, are as follows:

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 7. LONG-TERM DEBT (CONTINUED)

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2013	\$ 170,146	39,204	209,350
2014	169,617	26,662	196,279
2015	145,029	24,752	169,781
2016	147,241	22,750	169,991
2017	149,871	20,387	170,258
2018-2022	688,616	53,090	741,706
2023	41,090	722	41,812
	<u>\$ 1,511,610</u>	<u>187,567</u>	<u>1,699,177</u>

Capital Leases

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

Description	Year of Issue	Term	Interest Rate		Original Amount of Issue	Balance June 30, 2012
Key Government Finance, Inc.	2008	5 years	4.83%	\$	66,848	8,388
John Deere Credit-Motor Grader	2008	5 years	5.25%		178,290	119,351
Caterpillar Financial B9D02050	2010	5 years	0.00%		87,385	43,692
Caterpillar Financial B9D02054	2010	5 years	0.00%		87,385	43,692
Caterpillar Financial B9M00959	2011	5 years	0.00%		92,140	64,498
Caterpillar Financial B9D02780	2011	5 years	0.00%		92,478	64,736
				\$	<u>604,526</u>	<u>344,357</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2013	\$ 199,617	3,673	203,290
2014	71,877	-	71,877
2015	54,401	-	54,401
2016	18,462	-	18,462
	<u>\$ 344,357</u>	<u>3,673</u>	<u>348,030</u>

**STATE OF NEW MEXICO
 VALENCIA COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2012**

NOTE 7. LONG-TERM DEBT (CONTINUED)

Operating Leases

The County leases equipment under cancelable operating leases. The total costs for such leases were approximately \$68,581 for the year ended June 30, 2012. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Payment</u>
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 the fiscal year ended June 30, 2012, compensated absences decreased \$9,580 from the prior year accrual.

NOTE 8. LANDFILL CLOSURE AND POSTCLOSURE CARE

The County stopped accepting solid waste at its landfill in 1995. State law, federal law and various regulations require that the County perform certain maintenance and monitoring functions at the landfill for 30 years after closure. The estimated liability for the County’s landfill post-closure care was \$445,000 as of June 30, 2011, which was an increase of \$10,000 from the prior year’s estimate. These estimates may change in the future due to inflation or deflation, changes in technology, and applicable laws or regulations governing landfill post-closure care.

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

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 9. RISK MANAGEMENT (CONTINUED)

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 fund reflected a deficit fund balance as of June 30, 2012:

Fund	Deficit Balance
Road Special Revenue Fund	\$ (92,674)
Adult Detention Center Special Revenue Fund	(185,957)
Farm and Range Special Revenue Fund	(645)
Juvenile Detention Special Revenue Fund	(91,267)
Wildlife Fire Reimbursement Special Revenue Fund	(13,445)
Solid Waste GRT Special Revenue Fund	(13,765)
Legislative Appropriation FY 09/10 Capital Projects Fund	(4,004)
Legislative Appropriation FY 10/11 Capital Projects Fund	(16,938)
Legislative Appropriation FY 11/12 Capital Projects Fund	(28,763)
Total Fund Deficit	\$ <u>(447,458)</u>

The County plans to collect grant revenues and reduce or eliminate negative fund balances. Additionally, the County incurred more expenditures than revenues received in the current year. The County anticipates these fund balances will not be in the deficit state in subsequent years.

- B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2012:

Fund	Excess of Expenditures over Appropriations
Fire Protection Special Revenue Fund	\$ (368,733)
Farm and Range Special Revenue Fund	(627)
GRT – Regional Transit Special Revenue Fund	(540,273)

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 10. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (CONTINUED)

<u>Fund</u>	<u>Excess of Expenditures over Appropriations</u>
Valuation Maintenance Special Revenue Fund	\$ (76,491)
Fire Excise Tax Special Revenue Fund	(554,685)
EMS – GRT Special Revenue Fund	(425,915)
CDBG Special Revenue Fund	(10,522)
Department of Justice Special Revenue Fund	(52,770)
Bonds/Judicial Renovation Special Revenue Fund	(29,992)
Legislative Appropriation FY 03/04 Capital Projects Fund	(103,771)
Legislative Appropriation FY 04/05 Capital Projects Fund	(104,221)
Legislative Appropriation FY 06/07 Capital Projects Fund	(186,652)
Legislative Appropriation FY 09/10 Capital Projects Fund	(91,843)
Bond/Public Safety/E-911 Facility Debt Service Fund	(405,808)
County Debt Service Fund	(145,126)
Tome/Adelino Fire Pumper II Debt Service Fund	(38,456)
Jarales/Pueblito Fire Department Pumper Debt Service Fund	(100,026)
Los Chavez Fire Department Pumper Debt Service Fund	(248,574)
El Cerro Fire Department Debt Service Fund	(2,625)
Manzano Vista Pumper Debt Service Fund	(3,000)
	<hr/>
Total Excess of Expenditures over Appropriations	\$ <u><u>(3,490,110)</u></u>

The County plans to monitor, more closely, budget to actual activity and make required adjustments.

NOTE 11. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

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

Funding Policy. Plan members are required to contribute from 9.15% to 16.30% (ranges from 3.83% to 16.65% depending upon the plan - i.e., state general, state hazardous duty, state police and adult

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

**NOTE 11. PENSION PLAN- PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
(CONTINUED)**

correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The County is required to contribute 9.15% to 18.50% (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the 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, 2012, 2011 and 2010 were \$719,153, \$997,661, and \$1,381,517, 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. The 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

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

**NOTE 12. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

healthcare benefits. Each participating retiree pays a monthly premium according to a service based on 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, 2012, the statute required each participating employer to contribute 1.834% of each participating employee’s annual salary; each participating employee was required to contribute 0.917% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

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>
FY13	2.000%	1.000%

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 2.292% of each participating employee’s annual salary, and each participating employee was required to contribute 1.146% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for both employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY13	2.500%	1.250%

Also, employers joining the program after January 1, 1998, are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RCHA 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.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

**NOTE 12. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

The County's contributions to the RHCA for the years ended June 30, 2012, 2011 and 2010 were \$127,416, 113,247 and \$84,871, 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 continued to be effective through June 30, 2012. 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.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 14. 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 15. 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 16. NET ASSETS

In the Statement of Net Assets \$8,101,793 of net assets is reported as restricted, of which \$6,293,287 is restricted by enabling legislation.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Fund Descriptions
June 30, 2012

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.

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.

408 – Juvenile Detention – This fund was created by County 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.

661 – Bioterrorist Preparedness – This fund was created under the authority of the County Commission to account for federal grant funding from the US Department of Homeland Security.

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.

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 County 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

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Fund Descriptions
June 30, 2012

Special Revenue Funds (Continued)

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.

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.

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.

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

434 – Law Enforcement Explorer Center – 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.

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Fund Descriptions
June 30, 2012

Special Revenue Funds (Continued)

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.

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.

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 County Resolution No. 2002-52.

493 – Title III-B – This fund is part of the Older American fund #415 for access services (priority services) The Fund was created by authority of the Older Americans Act of 1965, Title III, Parts A

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Fund Descriptions
June 30, 2012

Special Revenue Funds (Continued)

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.

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Fund Descriptions
June 30, 2012

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.

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.

451 – Legislative Appropriation FY 11/12 – This fund was created under authority of the County Commission to account for appropriations to Valencia County for year 2011/2012 to plan, design, and construct community centers, infrastructure, and fire departments for several communities.

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Fund Descriptions
June 30, 2012

Capital Projects Funds (Continued)

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.

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

469 – EMS Response Truck – This fund is for a Public Revolving Loan from the New Mexico Finance Authority for fire EMS response trucks and is part of the County Fire Excise Tax funds.

473 – Tome/Adelino Fire Pumper II – This fund is a Public Revolving Loan, financed through pledged revenues from state fire protection funds.

610 – Jarales/Pueblito Fire Department Pumper – This fund is a Public Project Revolving Loan financed through pledged revenues from County fire protection excise taxes.

613 – Los Chaves Fire Department Pumper – This fund accounts for a loan financed through the New Mexico Finance Authority utilizing pledged revenues from state fire protection funds.

611 – El Cerro Fire Department – This fund accounts for a loan financed through the New Mexico Finance Authority utilizing pledged revenues from state fire protection funds.

STATE OF NEW MEXICO
Valencia County
Nonmajor Governmental Fund Descriptions
June 30, 2012

Debt Service Funds (Continued)

612 – Manzano Vista Pumper – This fund accounts for a loan financed through the New Mexico Finance Authority utilizing pledged state fire protection fund revenues. The activity within the fund is merely to account for intercepted payments.

**STATE OF NEW MEXICO
VALENCIA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2012**

	Special Revenue			
	Farm and Range	Recreation	Juvenile Detention	GRT - Regional Transit
ASSETS				
Cash and cash equivalents	\$ -	7,776	-	59,680
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other governments	-	8,131	-	127,291
Other receivables	-	-	31,201	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	151,478
<i>Total assets</i>	<u>\$ -</u>	<u>15,907</u>	<u>31,201</u>	<u>338,449</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ -	-	31,355	-
Accrued payroll expenses	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	645	-	91,113	-
<i>Total liabilities</i>	<u>645</u>	<u>-</u>	<u>122,468</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	338,449
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Older American programs	-	-	-	-
Public safety	-	-	-	-
Recreation	-	15,907	-	-
Capital improvements and acquisitions	-	-	-	-
Debt service expenditures	-	-	-	-
Committed to:				
Senior center	-	-	-	-
Unassigned	(645)	-	(91,267)	-
<i>Total fund balances</i>	<u>(645)</u>	<u>15,907</u>	<u>(91,267)</u>	<u>338,449</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>15,907</u>	<u>31,201</u>	<u>338,449</u>

Special Revenue

Older American	Bioterrorist Preparedness	EMS	Wildlife Fire Reimbursement	Neighborhood Watch	Valuation Maintenance
32,884	-	25,243	-	1,652	426,625
-	-	-	-	-	-
2,701	4,269	-	1,703	-	-
-	-	-	-	-	-
-	-	-	-	-	6,837
-	-	-	-	-	-
35,585	4,269	25,243	1,703	1,652	433,462
1,636	-	418	-	-	82
8,968	-	-	-	-	-
-	-	-	-	-	-
-	444	-	15,148	-	-
10,604	444	418	15,148	-	82
-	-	-	-	-	6,837
-	-	-	-	-	-
-	-	-	-	1,652	426,420
-	-	-	-	-	-
-	-	24,825	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
24,981	-	-	-	-	-
-	3,825	-	(13,445)	-	123
24,981	3,825	24,825	(13,445)	1,652	433,380
35,585	4,269	25,243	1,703	1,652	433,462

**STATE OF NEW MEXICO
VALENCIA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2012**

	Special Revenue			
	Fire Excise Tax	Law Enforcement	EMS-GRT	Tome Adelino Community Center
ASSETS				
Cash and cash equivalents	\$ 502,845	284	139,135	82,919
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other governments	43,839	54,000	254,586	-
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 546,684</u>	<u>54,284</u>	<u>393,721</u>	<u>82,919</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities</i>				
<i>Current liabilities</i>				
Accounts payable	\$ 71,084	-	38,085	-
Accrued payroll expenses	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>71,084</u>	<u>-</u>	<u>38,085</u>	<u>-</u>
<i>Fund balances</i>				
<i>Nonspendable</i>				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Older American programs	-	-	-	-
Public safety	475,600	54,284	355,636	-
Recreation	-	-	-	82,919
Capital improvements and acquisitions	-	-	-	-
Debt service expenditures	-	-	-	-
<i>Committed to:</i>				
Senior center	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>475,600</u>	<u>54,284</u>	<u>355,636</u>	<u>82,919</u>
<i>Total liabilities and fund balances</i>	<u>\$ 546,684</u>	<u>54,284</u>	<u>393,721</u>	<u>82,919</u>

Special Revenue

CDBG	Law Enforcement Explorer Center	G.R.E.A.T. Grant	Solid Waste Performance	Solid Waste GRT	Clerk's Equipment
-	840	10	12,500	-	122,222
-	-	-	-	-	-
-	-	-	-	25,747	-
-	-	-	-	-	-
-	-	-	-	13,947	-
-	-	-	-	-	-
-	840	10	12,500	39,694	122,222
-	-	-	-	21,439	157
-	-	-	-	4,171	-
-	-	-	-	-	-
-	-	-	-	27,849	-
-	-	-	-	53,459	157
-	-	-	-	13,947	-
-	-	-	-	-	-
-	-	-	12,500	-	122,065
-	-	-	-	-	-
-	-	-	-	-	-
-	840	10	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(27,712)	-
-	840	10	12,500	(13,765)	122,065
-	840	10	12,500	39,694	122,222

**STATE OF NEW MEXICO
 VALENCIA COUNTY
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 June 30, 2012**

	Special Revenue			
	Department of			
	Justice Assistance Programs	Special Revenue Bond	Sheriff's GRT	Road GRT
ASSETS				
Cash and cash equivalents	\$ 5,732	14,855	105,248	166,378
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other governments	1,838	-	67,450	26,756
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ 7,570</u>	<u>14,855</u>	<u>172,698</u>	<u>193,134</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ 357	-	10,116	-
Accrued payroll expenses	-	-	54,481	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>357</u>	<u>-</u>	<u>64,597</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	14,855	-	-
Maintenance of roads	-	-	-	193,134
Fire departments	-	-	-	-
Older American programs	-	-	-	-
Public safety	7,213	-	108,101	-
Recreation	-	-	-	-
Capital improvements and acquisitions	-	-	-	-
Debt service expenditures	-	-	-	-
Committed to:				
Senior center	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>7,213</u>	<u>14,855</u>	<u>108,101</u>	<u>193,134</u>
<i>Total liabilities and fund balances</i>	<u>\$ 7,570</u>	<u>14,855</u>	<u>172,698</u>	<u>193,134</u>

Special Revenue

Fire GRT	Traffic Safety	Homeland Security	Title III-B	Title III-E	Title C-1
21,750	22,901	-	16,564	25	-
-	-	-	-	-	-
-	-	-	-	-	-
26,757	8,332	17,537	5,828	-	2,544
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
48,507	31,233	17,537	22,392	25	2,544
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,245	14,948	-	700
-	-	3,245	14,948	-	700
-	-	-	-	-	-
-	-	-	-	-	-
-	-	14,292	-	-	-
-	31,233	-	-	-	-
48,507	-	-	-	-	-
-	-	-	7,444	25	1,844
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
48,507	31,233	14,292	7,444	25	1,844
48,507	31,233	17,537	22,392	25	2,544

**STATE OF NEW MEXICO
 VALENCIA COUNTY
 NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 June 30, 2012**

	Special Revenue		Capital Projects	
	Title C-2	Cash in Lieu	Bonds/Judicial Renovation	Legislative Appropriation FY 02/03
ASSETS				
Cash and cash equivalents	\$ -	509	76,987	-
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
Other receivables	27,122	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	14,948	-	-	-
Total assets	\$ 42,070	509	76,987	-
LIABILITIES AND FUND BALANCES				
<i>Liabilities</i>				
Current liabilities				
Accounts payable	\$ -	-	-	-
Accrued payroll expenses	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	35,208	-	-	-
Total liabilities	35,208	-	-	-
<i>Fund balances</i>				
Nonspendable				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Older American programs	6,862	-	-	-
Public safety	-	-	-	-
Recreation	-	-	-	-
Capital improvements and acquisitions	-	-	76,987	-
Debt service expenditures	-	-	-	-
Committed to:				
Senior center	-	-	-	-
Unassigned	-	509	-	-
Total fund balances	6,862	509	76,987	-
Total liabilities and fund balances	\$ 42,070	509	76,987	-

Capital Projects

Legislative Appropriation FY 03/04	Legislative Appropriation FY 04/05	Legislative Appropriation FY 06/07	Legislative Appropriation FY 07/08	Legislative Appropriation FY 08/09	Legislative Appropriation FY 09/10
-	-	-	-	19,022	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	800	-
-	-	-	-	19,822	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4,004
-	-	-	-	-	4,004
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	19,822	-
-	-	-	-	-	-
-	-	-	-	-	(4,004)
-	-	-	-	19,822	(4,004)
-	-	-	-	19,822	-

**STATE OF NEW MEXICO
VALENCIA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2012**

	Capital Projects			Debt Service
	Legislative	Legislative	Corrections GRT	El Cerro Pump
	Appropriation FY 10/11	Appropriation FY 11/12		
ASSETS				
Cash and cash equivalents	\$ -	-	1,147,666	101,632
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other governments	-	-	84,218	-
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>-</u>	<u>1,231,884</u>	<u>101,632</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities</i>				
<i>Current liabilities</i>				
Accounts payable	\$ -	-	12,005	-
Accrued payroll expenses	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	16,938	28,763	-	-
<i>Total liabilities</i>	<u>16,938</u>	<u>28,763</u>	<u>12,005</u>	<u>-</u>
<i>Fund balances</i>				
<i>Nonspendable</i>				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Older American programs	-	-	-	-
Public safety	-	-	-	-
Recreation	-	-	-	-
Capital improvements and acquisitions	-	-	1,219,879	-
Debt service expenditures	-	-	-	101,632
<i>Committed to:</i>				
Senior center	-	-	-	-
Unassigned	(16,938)	(28,763)	-	-
<i>Total fund balances</i>	<u>(16,938)</u>	<u>(28,763)</u>	<u>1,219,879</u>	<u>101,632</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>-</u>	<u>1,231,884</u>	<u>101,632</u>

Debt Service

Meadow Lake Fire Department	Highland Meadow Fire Department	Bond/Public Safety/E-911 Facility	County Debt Service	EMS Response Truck	Tome/Adelino Fire Pumper II
173,122	50,413	19,824	987,875	68,975	134
-	-	-	-	-	-
-	-	-	15,286	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
173,122	50,413	19,824	1,003,161	68,975	134
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	68,975	-
-	-	-	-	-	134
-	-	-	-	-	-
-	-	-	-	-	-
173,122	50,413	19,824	987,609	-	-
-	-	-	-	-	-
-	-	-	15,552	-	-
173,122	50,413	19,824	1,003,161	68,975	134
173,122	50,413	19,824	1,003,161	68,975	134

**STATE OF NEW MEXICO
VALENCIA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2012**

	Debt Service				Total Nonmajor Governmental Funds
	Jarales/Pueblito Fire Department Pumper	Los Chaves Fire Department Pumper	El Cerro Fire Department	Manzano Vista Pumper	
ASSETS					
Cash and cash equivalents	\$ 16,146	-	175,046	200,053	4,805,472
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	15,286
Due from other governments	-	-	-	-	763,527
Other receivables	-	-	-	-	58,323
Prepaid expenses	-	-	-	-	20,784
Due from other funds	-	-	-	-	167,226
<i>Total assets</i>	<u>\$ 16,146</u>	<u>-</u>	<u>175,046</u>	<u>200,053</u>	<u>5,830,618</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities</i>					
Current liabilities					
Accounts payable	\$ -	-	-	-	186,734
Accrued payroll expenses	-	-	-	-	67,620
Deferred revenue	-	-	-	-	-
Due to other funds	-	-	-	-	239,005
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>493,359</u>
<i>Fund balances</i>					
Nonspendable					
Prepaid expenses	-	-	-	-	20,784
Inventory	-	-	-	-	-
Spendable					
Restricted for:					
General county operations	-	-	-	-	999,208
Maintenance of roads	-	-	-	-	224,367
Fire departments	16,146	-	175,046	200,053	439,886
Older American programs	-	-	-	-	16,175
Public safety	-	-	-	-	1,026,509
Recreation	-	-	-	-	98,826
Capital improvements and acquisitions	-	-	-	-	1,316,688
Debt service expenditures	-	-	-	-	1,332,600
Committed to:					
Senior center	-	-	-	-	24,981
Unassigned	-	-	-	-	(162,765)
<i>Total fund balances</i>	<u>16,146</u>	<u>-</u>	<u>175,046</u>	<u>200,053</u>	<u>5,337,259</u>
<i>Total liabilities and fund balances</i>	<u>\$ 16,146</u>	<u>-</u>	<u>175,046</u>	<u>200,053</u>	<u>5,830,618</u>

**STATE OF NEW MEXICO
VALENCIA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2012**

	Special Revenue			
	Farm and Range	Recreation	Juvenile Detention	GRT - Regional Transit
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	742,027
Intergovernmental:				
Federal operating grants	3,355	-	-	-
State operating grants	-	20,160	14,000	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	56,633	-
Miscellaneous	-	-	1,087	-
<i>Total revenues</i>	<u>3,355</u>	<u>20,160</u>	<u>71,720</u>	<u>742,027</u>
Expenditures				
Current				
General government	4,000	-	-	540,273
Public safety	-	-	541,908	-
Public works	-	-	-	-
Culture and recreation	-	20,180	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>4,000</u>	<u>20,180</u>	<u>541,908</u>	<u>540,273</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(645)</u>	<u>(20)</u>	<u>(470,188)</u>	<u>201,754</u>
<i>Other Financing Sources (Uses)</i>				
Transfers in	1,272	-	394,133	-
Transfers out	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,272</u>	<u>-</u>	<u>394,133</u>	<u>-</u>
<i>Net change in fund balances</i>	627	(20)	(76,055)	201,754
Fund balance - beginning of year	<u>(1,272)</u>	<u>15,927</u>	<u>(15,212)</u>	<u>136,695</u>
Fund balance - end of year	<u>\$ (645)</u>	<u>15,907</u>	<u>(91,267)</u>	<u>338,449</u>

See Notes to Financial Statements.

Special Revenue

Older American	Bioterrorist Preparedness	EMS	Wildlife Fire Reimbursement	Neighborhood Watch	Valuation Maintenance
-	-	-	-	-	348,827
-	-	50,364	-	-	-
-	-	-	-	-	-
26,756	4,269	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	27,762	-	1,830
-	-	674	-	-	-
26,756	4,269	51,038	27,762	-	350,657
-	444	-	-	-	393,828
-	-	36,761	36,216	-	-
-	-	-	-	-	-
10,578	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,578	444	36,761	36,216	-	393,828
16,178	3,825	14,277	(8,454)	-	(43,171)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,178	3,825	14,277	(8,454)	-	(43,171)
8,803	-	10,548	(4,991)	1,652	476,551
24,981	3,825	24,825	(13,445)	1,652	433,380

**STATE OF NEW MEXICO
VALENCIA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2012**

	Special Revenue			
	Fire Excise Tax	Law Enforcement	EMS-GRT	Tome Adelino Community Center
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	319,477	103,716	419,583	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	3	-	-	-
Charges for services	305,927	-	418,408	-
Miscellaneous	810	-	-	-
<i>Total revenues</i>	<u>626,217</u>	<u>103,716</u>	<u>837,991</u>	<u>-</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	740,378	7,094	873,576	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	95,976	42,666	-	-
Debt service:				
Principal	72,870	-	-	-
Interest	-	-	5,814	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>909,224</u>	<u>49,760</u>	<u>879,390</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(283,007)</u>	<u>53,956</u>	<u>(41,399)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(283,007)</u>	<u>53,956</u>	<u>(41,399)</u>	<u>-</u>
Fund balance - beginning of year	<u>758,607</u>	<u>328</u>	<u>397,035</u>	<u>82,919</u>
Fund balance - end of year	<u>\$ 475,600</u>	<u>54,284</u>	<u>355,636</u>	<u>82,919</u>

See Notes to Financial Statements.

Special Revenue

CDBG	Law Enforcement Explorer Center	G.R.E.A.T. Grant	Solid Waste Performance	Solid Waste GRT	Clerk's Equipment
-	-	-	-	-	-
-	-	-	-	154,244	87,579
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	267,330	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	9,070	-
-	-	-	-	430,644	87,579
-	-	-	-	699,807	139,808
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	68,325	60,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	768,132	199,808
-	-	-	-	(337,488)	(112,229)
10,622	-	-	-	318,175	-
-	-	-	-	-	-
-	-	-	-	-	-
10,622	-	-	-	318,175	-
10,622	-	-	-	(19,313)	(112,229)
(10,622)	840	10	12,500	5,548	234,294
-	840	10	12,500	(13,765)	122,065

**STATE OF NEW MEXICO
VALENCIA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2012**

	Special Revenue			
	Department of Justice			
	Assistance Programs	Special Revenue Bond	Sheriff's GRT	Road GRT
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	663,625	154,678
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	53,125	-	1,000	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	72,110	383
<i>Total revenues</i>	<u>53,125</u>	<u>-</u>	<u>736,735</u>	<u>155,061</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	53,127	-	857,232	-
Public works	-	-	-	121,160
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>53,127</u>	<u>-</u>	<u>857,232</u>	<u>121,160</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(2)</u>	<u>-</u>	<u>(120,497)</u>	<u>33,901</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(2)</u>	<u>-</u>	<u>(120,497)</u>	<u>33,901</u>
Fund balance - beginning of year	<u>7,215</u>	<u>14,855</u>	<u>228,598</u>	<u>159,233</u>
Fund balance - end of year	<u>\$ 7,213</u>	<u>14,855</u>	<u>108,101</u>	<u>193,134</u>

See Notes to Financial Statements.

Special Revenue

Fire GRT	Traffic Safety	Homeland Security	Title III-B	Title III-E	Title C-1
-	-	-	-	-	-
154,678	-	-	-	-	-
-	-	-	42,540	-	76,739
-	28,499	73,784	16,885	-	66,752
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
154,678	28,499	73,784	59,425	-	143,491
-	-	-	-	-	-
154,494	24,340	-	-	-	-
-	-	23,515	-	-	-
-	-	-	90,644	-	192,149
-	-	-	-	-	-
-	-	39,477	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
154,494	24,340	62,992	90,644	-	192,149
184	4,159	10,792	(31,219)	-	(48,658)
-	-	-	13,825	-	26,503
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	13,825	-	26,503
184	4,159	10,792	(17,394)	-	(22,155)
48,323	27,074	3,500	24,838	25	23,999
48,507	31,233	14,292	7,444	25	1,844

**STATE OF NEW MEXICO
VALENCIA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2012**

	Special Revenue		Capital Projects	
	Title C-2	Cash in Lieu	Bonds/Judicial Renovation	Legislative Appropriation FY 02/03
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	21,714	89,751	-	-
State operating grants	205,566	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	17	-
Charges for services	-	-	-	-
Miscellaneous	27,702	-	-	-
<i>Total revenues</i>	<u>254,982</u>	<u>89,751</u>	<u>17</u>	<u>-</u>
Expenditures				
Current				
General government	-	-	29,992	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	414,675	-	-	-
Health and welfare	-	79,554	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	685,000	-
Interest	-	-	100,106	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>414,675</u>	<u>79,554</u>	<u>815,098</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(159,693)</u>	<u>10,197</u>	<u>(815,081)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	132,476	-	785,106	-
Transfers out	-	-	-	(19,829)
Proceeds from issuance of debt	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>132,476</u>	<u>-</u>	<u>785,106</u>	<u>(19,829)</u>
<i>Net change in fund balances</i>	<u>(27,217)</u>	<u>10,197</u>	<u>(29,975)</u>	<u>(19,829)</u>
Fund balance - beginning of year	<u>34,079</u>	<u>(9,688)</u>	<u>106,962</u>	<u>19,829</u>
Fund balance - end of year	<u>\$ 6,862</u>	<u>509</u>	<u>76,987</u>	<u>-</u>

See Notes to Financial Statements.

Capital Projects

Legislative Appropriation FY 03/04	Legislative Appropriation FY 04/05	Legislative Appropriation FY 06/07	Legislative Appropriation FY 07/08	Legislative Appropriation FY 08/09	Legislative Appropriation FY 09/10
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	372,476	34,509
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	372,476	34,509
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	372,450	38,513
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	372,450	38,513
-	-	-	-	-	-
-	-	-	-	26	(4,004)
103,771	104,221	288,270	26,679	5,731	-
-	-	-	-	-	-
-	-	-	-	-	-
103,771	104,221	288,270	26,679	5,731	-
103,771	104,221	288,270	26,679	5,757	(4,004)
(103,771)	(104,221)	(288,270)	(26,679)	14,065	-
-	-	-	-	19,822	(4,004)

**STATE OF NEW MEXICO
VALENCIA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2012**

	Capital Projects			Debt Service
	Legislative Appropriation FY 10/11	Legislative Appropriation FY 11/12	Corrections GRT	El Cerro Pump
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	7,705	211,777	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	12,834	260,075	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>12,834</u>	<u>267,780</u>	<u>211,777</u>	<u>-</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	29,772	296,543	98,668	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>29,772</u>	<u>296,543</u>	<u>98,668</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(16,938)</u>	<u>(28,763)</u>	<u>113,109</u>	<u>-</u>
<i>Other Financing Sources (Uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(16,938)	(28,763)	113,109	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>1,106,770</u>	<u>101,632</u>
Fund balance - end of year	<u>\$ (16,938)</u>	<u>(28,763)</u>	<u>1,219,879</u>	<u>101,632</u>

See Notes to Financial Statements.

Debt Service

Meadow Lake Fire Department	Highland Meadow Fire Department	Bond/Public Safety/E-911 Facility	County Debt Service	EMS Response Truck	Tome/Adelino Fire Pumper II
-	-	-	652,063	-	-
34,177	16,776	-	-	328,511	338,682
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
148	2	482	-	279	134
-	-	-	-	-	-
-	-	-	-	-	-
34,325	16,778	482	652,063	328,790	338,816
-	-	-	-	259,815	338,682
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,504	-	-	-
-	-	403,304	-	-	-
-	-	-	-	-	-
-	-	405,808	-	259,815	338,682
34,325	16,778	(405,326)	652,063	68,975	134
-	-	-	-	-	-
-	-	-	(785,106)	-	-
-	-	-	-	-	-
-	-	-	(785,106)	-	-
34,325	16,778	(405,326)	(133,043)	68,975	134
138,797	33,635	425,150	1,136,204	-	-
173,122	50,413	19,824	1,003,161	68,975	134

STATE OF NEW MEXICO
VALENCIA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2012

	Debt Service				Total Nonmajor Governmental Funds
	Jarales/Pueblito Fire Department Pumper	Los Chaves Fire Department Pumper	El Cerro Fire Department	Manzano Vista Pumper	
Revenues					
Taxes:					
Property	\$ -	-	-	-	1,000,890
Gross receipts	3,167	-	-	-	3,790,766
Intergovernmental:					
Federal operating grants	-	-	-	-	234,099
State operating grants	-	-	-	-	510,796
State capital grants	-	-	-	-	679,894
Licenses and fees	-	-	-	-	267,330
Investment income	39	-	46	53	1,203
Charges for services	-	-	-	-	810,560
Miscellaneous	-	-	-	-	111,836
<i>Total revenues</i>	<u>3,206</u>	<u>-</u>	<u>46</u>	<u>53</u>	<u>7,407,374</u>
Expenditures					
Current					
General government	100,026	248,574	2,625	3,000	2,760,874
Public safety	-	-	-	-	3,325,126
Public works	-	-	-	-	144,675
Culture and recreation	-	-	-	-	728,226
Health and welfare	-	-	-	-	79,554
Capital outlay	-	-	-	-	1,142,390
Debt service:					
Principal	-	-	-	-	760,374
Interest	-	-	-	-	509,224
Bond issuance costs	-	-	-	-	-
<i>Total expenditures</i>	<u>100,026</u>	<u>248,574</u>	<u>2,625</u>	<u>3,000</u>	<u>9,450,443</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(96,820)</u>	<u>(248,574)</u>	<u>(2,579)</u>	<u>(2,947)</u>	<u>(2,043,069)</u>
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	2,210,784
Transfers out	-	-	-	-	(804,935)
Proceeds from issuance of debt	112,966	248,574	177,625	203,000	742,165
<i>Total other financing sources (uses)</i>	<u>112,966</u>	<u>248,574</u>	<u>177,625</u>	<u>203,000</u>	<u>2,148,014</u>
<i>Net change in fund balances</i>	16,146	-	175,046	200,053	104,945
Fund balance - beginning of year	-	-	-	-	5,232,314
Fund balance - end of year	\$ <u>16,146</u>	<u>-</u>	<u>175,046</u>	<u>200,053</u>	<u>5,337,259</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 FARM AND RANGE - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	4,000	4,000	3,355	(645)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	4,000	4,000	3,355	(645)
Expenditures				
Current:				
General government	4,000	4,000	4,627	(627)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	4,000	4,000	4,627	(627)
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(1,272)	(1,272)
<i>Other financing sources (uses)</i>				
Transfers in	1,272	1,272	1,272	-
Transfers out	-	-	-	-
Total other financing sources (uses)	1,272	1,272	1,272	-
Net change in fund balance	\$ 1,272	1,272	-	(1,272)
Changes in accounts receivable			-	
Changes in accounts payable			627	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 627</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 RECREATION - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	21,000	21,000	23,657	2,657
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	21,000	21,000	23,657	2,657
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	21,000	21,000	20,180	820
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	21,000	21,000	20,180	820
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	3,477	3,477
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	3,477	3,477
Changes in accounts receivable			(3,497)	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			\$ (20)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 JUVENILE DETENTION - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	14,000	14,000	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	37,500	50,000	44,510	(5,490)
Miscellaneous	-	1,087	1,087	-
Total revenues	37,500	65,087	59,597	(5,490)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	517,500	545,087	544,843	244
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	517,500	545,087	544,843	244
<i>Excess (deficiency) of revenues over expenditures</i>	(480,000)	(480,000)	(485,246)	(5,246)
<i>Other financing sources (uses)</i>				
Transfers in	480,000	480,000	394,133	(85,867)
Transfers out	-	-	-	-
Total other financing sources (uses)	480,000	480,000	394,133	(85,867)
Net change in fund balance	\$ -	-	(91,113)	(91,113)
Changes in accounts receivable			12,123	
Changes in accounts payable			2,935	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			\$ (76,055)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 GRT - REGIONAL TRANSIT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	599,953	599,953
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	599,953	599,953
Expenditures				
Current:				
General government	-	-	540,273	(540,273)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	540,273	(540,273)
<i>Excess (deficiency) of revenues over expenditures</i>	<i>-</i>	<i>-</i>	<i>59,680</i>	<i>59,680</i>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	59,680	59,680
Changes in accounts receivable			142,074	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			\$ 201,754	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 OLDER AMERICAN - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	21,000	21,000	26,000	5,000
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	21,000	21,000	26,000	5,000
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	26,500	26,500	26,254	246
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	26,500	26,500	26,254	246
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,500)</u>	<u>(5,500)</u>	<u>(254)</u>	<u>5,246</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ (5,500)	(5,500)	(254)	5,246
Changes in accounts receivable			756	
Changes in accounts payable			2,047	
Changes in accrued liabilities			<u>13,629</u>	
Net change in fund balance (GAAP Basis)			<u>\$ 16,178</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 BIOTERRORIST PREPAREDNESS - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	4,269	4,269	4,269	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	4,269	4,269	4,269	-
Expenditures				
Current:				
General government	500	500	444	56
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	500	500	444	56
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,769</u>	<u>3,769</u>	<u>3,825</u>	<u>56</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ 3,769	3,769	3,825	56
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 3,825</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 EMS - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	51,724	51,724	50,364	(1,360)
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	674	674
Total revenues	51,724	51,724	51,038	(686)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	51,724	51,724	36,721	15,003
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	51,724	51,724	36,721	15,003
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	14,317	14,317
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	14,317	14,317
Changes in accounts receivable			-	
Changes in accounts payable			(40)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			\$ 14,277	

See Notes to Financial Statements.

STATE OF NEW MEXICO
VALENCIA COUNTY
WILDLIFE FIRE REIMBURSEMENT - SPECIAL REVENUE FUND
STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	10,000	24,349	26,059	1,710
Miscellaneous	-	-	-	-
Total revenues	10,000	24,349	26,059	1,710
Expenditures				
Current:				
General government	-	-	-	-
Public safety	25,000	39,349	26,059	13,290
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	25,000	39,349	26,059	13,290
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(15,000)</u>	<u>(15,000)</u>	-	15,000
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ (15,000)	(15,000)	-	15,000
Changes in accounts receivable			1,703	
Changes in accounts payable			(10,626)	
Changes in accrued liabilities			469	
Net change in fund balance (GAAP Basis)			<u>\$ (8,454)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 NEIGHBORHOOD WATCH - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
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>				
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>-</u>	<u>-</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			<u>-</u>	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 VALUATION MAINTENANCE - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 335,000	335,000	404,730	69,730
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	1,830	1,830
Miscellaneous	-	-	-	-
Total revenues	335,000	335,000	406,560	71,560
Expenditures				
Current:				
General government	380,124	380,124	456,615	(76,491)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	380,124	380,124	456,615	(76,491)
<i>Excess (deficiency) of revenues over expenditures</i>	<i>(45,124)</i>	<i>(45,124)</i>	<i>(50,055)</i>	<i>(4,931)</i>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ (45,124)	(45,124)	(50,055)	(4,931)
Changes in accounts receivable and prepaid expenditures			(55,903)	
Changes in accounts payable			1,902	
Changes in accrued liabilities and deferred revenue			60,885	
Net change in fund balance (GAAP Basis)			<u>\$ (43,171)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 FIRE EXCISE TAX - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	288,000	288,000	319,477	31,477
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	3	3
Charges for services	-	-	303,267	303,267
Miscellaneous	-	-	810	810
Total revenues	288,000	288,000	623,557	335,557
Expenditures				
Current:				
General government	-	-	-	-
Public safety	288,000	288,000	673,839	(385,839)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	95,976	(95,976)
Debt service:				
Principal	-	-	72,870	(72,870)
Interest	-	-	-	-
Total expenditures	288,000	288,000	842,685	(554,685)
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(219,128)	(219,128)
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	-	(219,128)	(219,128)
Changes in accounts receivable			2,660	
Changes in accounts payable			(66,539)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (283,007)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 LAW ENFORCEMENT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	49,800	49,800	49,716	(84)
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	49,800	49,800	49,716	(84)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	7,094	7,094	7,094	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	42,950	42,950	42,666	284
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	50,044	50,044	49,760	284
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(244)</u>	<u>(244)</u>	<u>(44)</u>	<u>200</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ (244)	(244)	(44)	200
Changes in accounts receivable			54,000	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 53,956</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 EMS - GRT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	438,387	438,387
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	418,408	418,408
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	856,795	856,795
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	425,000	850,915	(425,915)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	5,814	5,814	-
<i>Total expenditures</i>	-	430,814	856,729	(425,915)
<i>Excess (deficiency) of revenues over expenditures</i>	-	(430,814)	66	430,880
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	\$ -	(430,814)	66	430,880
Changes in accounts receivable			(18,804)	
Changes in accounts payable			(38,085)	
Changes in accrued liabilities			15,424	
Net change in fund balance (GAAP Basis)			\$ (41,399)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 TOME ADELINO COMMUNITY CENTER - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
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>				
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>-</u>	<u>-</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			<u>-</u>	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 CDBG - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	10,522	(10,522)
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>10,522</u>	<u>(10,522)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,522)</u>	<u>(10,522)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	10,622	10,622
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>10,622</u>	<u>10,622</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>100</u>	<u>100</u>
Changes in accounts receivable			-	
Changes in accounts payable			10,522	
Changes in accrued liabilities			<u>-</u>	
Net change in fund balance (GAAP Basis)			<u>\$ 10,622</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 LAW ENFORCEMENT EXPLORER CENTER - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
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>				
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>-</u>	<u>-</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 G.R.E.A.T. GRANT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	14,867	-	14,867
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>14,867</u>	<u>-</u>	<u>14,867</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(14,867)</u>	<u>-</u>	<u>14,867</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>(14,867)</u>	<u>-</u>	<u>14,867</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 SOLID WASTE PERFORMANCE - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
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>				
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>-</u>	<u>-</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			<u>-</u>	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 SOLID WASTE GRT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	150,000	150,000	160,170	10,170
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	267,000	267,000	267,330	330
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	9,070	9,070
Total revenues	417,000	417,000	436,570	19,570
Expenditures				
Current:				
General government	710,000	702,112	687,831	14,281
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	137,169	137,169	68,325	68,844
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	847,169	839,281	756,156	83,125
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(430,169)</u>	<u>(422,281)</u>	<u>(319,586)</u>	<u>102,695</u>
<i>Other financing sources (uses)</i>				
Transfers in	430,169	430,169	318,175	(111,994)
Transfers out	-	-	-	-
Total other financing sources (uses)	430,169	430,169	318,175	(111,994)
Net change in fund balance	\$ -	7,888	(1,411)	(9,299)
Changes in accounts receivable			(5,926)	
Changes in accounts payable			(20,070)	
Changes in accrued liabilities			8,094	
Net change in fund balance (GAAP Basis)			\$ (19,313)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 CLERK'S EQUIPMENT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	58,000	58,000	87,579	29,579
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>58,000</u>	<u>58,000</u>	<u>87,579</u>	<u>29,579</u>
Expenditures				
Current:				
General government	154,730	154,730	139,651	15,079
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	60,000	60,000	60,000	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>214,730</u>	<u>214,730</u>	<u>199,651</u>	<u>15,079</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(156,730)</u>	<u>(156,730)</u>	<u>(112,072)</u>	<u>44,658</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ (156,730)</u>	<u>(156,730)</u>	<u>(112,072)</u>	<u>44,658</u>
Changes in accounts receivable			-	
Changes in accounts payable			(157)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (112,229)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 DEPARTMENT OF JUSTICE ASSISTANCE PROGRAMS - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	51,287	51,287
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>51,287</u>	<u>51,287</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	52,770	(52,770)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>52,770</u>	<u>(52,770)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,483)</u>	<u>(1,483)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>(1,483)</u>	<u>(1,483)</u>
Changes in accounts receivable			1,838	
Changes in accounts payable			(357)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (2)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 SPECIAL REVENUE BOND - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
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>				
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>-</u>	<u>-</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
changes in accrued liabilities			<u>-</u>	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 SHERIFF'S GRT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	650,000	650,000	729,772	79,772
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	1,000	1,000	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	70,000	70,000	72,110	2,110
<i>Total revenues</i>	<u>720,000</u>	<u>721,000</u>	<u>802,882</u>	<u>81,882</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	875,000	876,000	815,444	60,556
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>875,000</u>	<u>876,000</u>	<u>815,444</u>	<u>60,556</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(155,000)</u>	<u>(155,000)</u>	<u>(12,562)</u>	<u>142,438</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ (155,000)</u>	<u>(155,000)</u>	<u>(12,562)</u>	<u>142,438</u>
Changes in accounts receivable			(66,147)	
Changes in accounts payable			1,429	
Changes in accrued liabilities			<u>(43,217)</u>	
Net change in fund balance (GAAP Basis)			<u>\$ (120,497)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 ROAD GRT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	185,000	185,000	155,884	(29,116)
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	383	383
Total revenues	185,000	185,000	156,267	(28,733)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	125,000	125,000	121,233	3,767
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	125,000	125,000	121,233	3,767
<i>Excess (deficiency) of revenues over expenditures</i>	60,000	60,000	35,034	(24,966)
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ 60,000	60,000	35,034	(24,966)
Changes in accounts receivable			(1,206)	
Changes in accounts payable			73	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			\$ 33,901	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 FIRE GRT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	288,000	288,000	155,883	(132,117)
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>288,000</u>	<u>288,000</u>	<u>155,883</u>	<u>(132,117)</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	288,000	288,000	154,494	133,506
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>288,000</u>	<u>288,000</u>	<u>154,494</u>	<u>133,506</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	1,389	1,389
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>1,389</u>	<u>1,389</u>
Changes in accounts receivable			(1,205)	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 184</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 TRAFFIC SAFETY - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	30,000	30,000	20,167	(9,833)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>20,167</u>	<u>(9,833)</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	30,000	30,000	26,601	3,399
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>26,601</u>	<u>3,399</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(6,434)	(6,434)
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	\$ <u>-</u>	<u>-</u>	(6,434)	<u>(6,434)</u>
Changes in accounts receivable			8,332	
Changes in accounts payable			2,261	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 4,159</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 HOMELAND SECURITY - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	80,000	80,000	56,247	(23,753)
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>80,000</u>	<u>80,000</u>	<u>56,247</u>	<u>(23,753)</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	44,056	20,270	23,786
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	39,714	39,477	237
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>83,770</u>	<u>59,747</u>	<u>24,023</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>80,000</u>	<u>(3,770)</u>	<u>(3,500)</u>	<u>270</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ 80,000</u>	<u>(3,770)</u>	<u>(3,500)</u>	<u>270</u>
Changes in accounts receivable			17,537	
Changes in accounts payable			(3,245)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 10,792</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 TITLE III-B - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	40,000	40,000	42,540	2,540
State operating grants	15,000	15,000	16,076	1,076
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>55,000</u>	<u>55,000</u>	<u>58,616</u>	<u>3,616</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	76,000	76,012	75,696	316
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>76,000</u>	<u>76,012</u>	<u>75,696</u>	<u>316</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(21,000)</u>	<u>(21,012)</u>	<u>(17,080)</u>	<u>3,932</u>
<i>Other financing sources (uses)</i>				
Transfers in	13,825	13,825	13,825	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>13,825</u>	<u>13,825</u>	<u>13,825</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ (7,175)</u>	<u>(7,187)</u>	<u>(3,255)</u>	<u>3,932</u>
Changes in accounts receivable			809	
Changes in accounts payable			(14,948)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (17,394)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 TITLE III-E - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
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>				
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>-</u>	<u>-</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 TITLE C-1 - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	70,000	70,000	88,301	18,301
State operating grants	55,000	55,000	66,752	11,752
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>125,000</u>	<u>125,000</u>	<u>155,053</u>	<u>30,053</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	187,500	191,671	191,449	222
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>187,500</u>	<u>191,671</u>	<u>191,449</u>	<u>222</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(62,500)</u>	<u>(66,671)</u>	<u>(36,396)</u>	<u>30,275</u>
<i>Other financing sources (uses)</i>				
Transfers in	26,503	26,503	26,503	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>26,503</u>	<u>26,503</u>	<u>26,503</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ (35,997)</u>	<u>(40,168)</u>	<u>(9,893)</u>	<u>30,275</u>
Changes in accounts receivable			(11,562)	
Changes in accounts payable			(700)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (22,155)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 TITLE C-2 - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	10,000	21,344	21,714	370
State operating grants	165,000	165,000	180,428	15,428
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	5,000	5,000	27,702	22,702
<i>Total revenues</i>	<u>180,000</u>	<u>191,344</u>	<u>229,844</u>	<u>38,500</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	370,000	381,494	379,953	1,541
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>370,000</u>	<u>381,494</u>	<u>379,953</u>	<u>1,541</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(190,000)</u>	<u>(190,150)</u>	<u>(150,109)</u>	<u>40,041</u>
<i>Other financing sources (uses)</i>				
Transfers in	132,476	132,476	132,476	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>132,476</u>	<u>132,476</u>	<u>132,476</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ (57,524)</u>	<u>(57,674)</u>	<u>(17,633)</u>	<u>40,041</u>
Changes in accounts receivable			25,138	
Changes in accounts payable			(34,722)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (27,217)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 CASH IN LIEU - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	81,735	89,735	92,743	3,008
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>81,735</u>	<u>89,735</u>	<u>92,743</u>	<u>3,008</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	96,000	98,269	92,234	6,035
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>96,000</u>	<u>98,269</u>	<u>92,234</u>	<u>6,035</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(14,265)</u>	<u>(8,534)</u>	<u>509</u>	<u>9,043</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ (14,265)</u>	<u>(8,534)</u>	<u>509</u>	<u>9,043</u>
Changes in accounts receivable			(2,992)	
Changes in accounts payable			12,680	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 10,197</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 BONDS/JUDICIAL RENOVATION - CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	17	17
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>17</u>	<u>17</u>
Expenditures				
Current:				
General government	-	-	29,992	(29,992)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	685,000	685,000	685,000	-
Interest	100,106	100,106	100,106	-
<i>Total expenditures</i>	<u>785,106</u>	<u>785,106</u>	<u>815,098</u>	<u>(29,992)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(785,106)</u>	<u>(785,106)</u>	<u>(815,081)</u>	<u>(29,975)</u>
<i>Other financing sources (uses)</i>				
Transfers in	785,106	785,106	785,106	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>785,106</u>	<u>785,106</u>	<u>785,106</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>(29,975)</u>	<u>(29,975)</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (29,975)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 LEGISLATIVE APPROPRIATION FY 02/03 - CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
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>				
Transfers in	-	-	-	-
Transfers out	-	-	(19,829)	(19,829)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(19,829)</u>	<u>(19,829)</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>(19,829)</u>	<u>(19,829)</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (19,829)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 LEGISLATIVE APPROPRIATION FY 03/04 - CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	103,771	(103,771)
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>103,771</u>	<u>(103,771)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(103,771)</u>	<u>(103,771)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	103,771	103,771
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>103,771</u>	<u>103,771</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in accounts receivable			-	
Changes in accounts payable			103,771	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 103,771</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 LEGISLATIVE APPROPRIATION FY 04/05 - CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	104,221	(104,221)
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>104,221</u>	<u>(104,221)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(104,221)</u>	<u>(104,221)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	104,221	104,221
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>104,221</u>	<u>104,221</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in accounts receivable			-	
Changes in accounts payable			104,221	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 104,221</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 LEGISLATIVE APPROPRIATION FY 06/07 - CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
General government	101,618	101,618	288,270	(186,652)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>101,618</u>	<u>101,618</u>	<u>288,270</u>	<u>(186,652)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(101,618)</u>	<u>(101,618)</u>	<u>(288,270)</u>	<u>(186,652)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	288,270	288,270
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>288,270</u>	<u>288,270</u>
<i>Net change in fund balance</i>	<u>\$ (101,618)</u>	<u>(101,618)</u>	<u>-</u>	<u>101,618</u>
Changes in accounts receivable			-	
Changes in accounts payable			288,270	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 288,270</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 LEGISLATIVE APPROPRIATION FY 07/08 - CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
General government	26,679	26,679	26,679	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>26,679</u>	<u>26,679</u>	<u>26,679</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(26,679)</u>	<u>(26,679)</u>	<u>(26,679)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	26,679	26,679
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>26,679</u>	<u>26,679</u>
<i>Net change in fund balance</i>	<u>\$ (26,679)</u>	<u>(26,679)</u>	<u>-</u>	<u>26,679</u>
Changes in accounts receivable			-	
Changes in accounts payable			26,679	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 26,679</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 LEGISLATIVE APPROPRIATION FY 08/09 - CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	400,000	400,000	404,123	4,123
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>400,000</u>	<u>400,000</u>	<u>404,123</u>	<u>4,123</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	391,000	391,000	390,832	168
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>391,000</u>	<u>391,000</u>	<u>390,832</u>	<u>168</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>9,000</u>	<u>9,000</u>	<u>13,291</u>	<u>4,291</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	5,731	5,731
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>5,731</u>	<u>5,731</u>
<i>Net change in fund balance</i>	<u>\$ 9,000</u>	<u>9,000</u>	<u>19,022</u>	<u>10,022</u>
Changes in accounts receivable			(31,647)	
Changes in accounts payable			18,382	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 5,757</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 LEGISLATIVE APPROPRIATION FY 09/10 - CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	34,000	34,000	131,843	97,843
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>34,000</u>	<u>34,000</u>	<u>131,843</u>	<u>97,843</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	40,000	40,000	131,843	(91,843)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>40,000</u>	<u>40,000</u>	<u>131,843</u>	<u>(91,843)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>	<u>6,000</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ (6,000)</u>	<u>(6,000)</u>	<u>-</u>	<u>6,000</u>
Changes in accounts receivable			(97,334)	
Changes in accounts payable			93,330	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (4,004)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 LEGISLATIVE APPROPRIATION FY 10/11 CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	12,834	12,834
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>12,834</u>	<u>12,834</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	869,851	12,834	857,017
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>869,851</u>	<u>12,834</u>	<u>857,017</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(869,851)</u>	<u>-</u>	<u>869,851</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>(869,851)</u>	<u>-</u>	<u>869,851</u>
Changes in accounts receivable			-	
Changes in accounts payable			(16,938)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (16,938)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
VALENCIA COUNTY
LEGISLATIVE APPROPRIATION FY 11/12 CAPITAL PROJECTS FUND
STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	7,705	7,705
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	300,000	260,075	(39,925)
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	300,000	267,780	(32,220)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	304,362	267,780	36,582
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	304,362	267,780	36,582
<i>Excess (deficiency) of revenues over expenditures</i>	-	(4,362)	-	4,362
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	\$ -	(4,362)	-	4,362
Changes in accounts receivable			-	
Changes in accounts payable			(28,763)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			\$ (28,763)	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 CORRECTIONS GRT - CAPITAL PROJECTS FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	110,000	110,000	150,887	40,887
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	110,000	110,000	150,887	40,887
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	233,313	233,313	88,002	145,311
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	233,313	233,313	88,002	145,311
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(123,313)</u>	<u>(123,313)</u>	62,885	186,198
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u>(123,313)</u>	<u>(123,313)</u>	62,885	<u>186,198</u>
Changes in accounts receivable			60,890	
Changes in accounts payable			(10,666)	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 113,109</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 EL CERRO PUMP - DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
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>				
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>-</u>	<u>-</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			<u>-</u>	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 MEADOW LAKE FIRE DEPARTMENT - DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	34,000	34,000	34,177	177
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	148	148
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>34,000</u>	<u>34,000</u>	<u>34,325</u>	<u>325</u>
Expenditures				
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>34,000</u>	<u>34,000</u>	<u>34,325</u>	<u>325</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ 34,000</u>	<u>34,000</u>	<u>34,325</u>	<u>325</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 34,325</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 HIGHLAND MEADOW FIRE DEPARTMENT - DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	16,776	16,776
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	2	2
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>16,778</u>	<u>16,778</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>16,778</u>	<u>16,778</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>16,778</u>	<u>16,778</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 16,778</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 BOND/PUBLIC SAFETY/E-911 FACILITY - DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	482	482
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>482</u>	<u>482</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	2,504	(2,504)
Interest	-	-	403,304	(403,304)
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>405,808</u>	<u>(405,808)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(405,326)</u>	<u>(405,326)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>(405,326)</u>	<u>(405,326)</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (405,326)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 COUNTY DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	816,395	816,395
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>816,395</u>	<u>816,395</u>
Expenditures				
Current:				
General government	-	-	145,126	(145,126)
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>145,126</u>	<u>(145,126)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>671,269</u>	<u>671,269</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	(5,814)	(785,106)	(779,292)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(5,814)</u>	<u>(785,106)</u>	<u>(779,292)</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>(5,814)</u>	<u>(113,837)</u>	<u>(108,023)</u>
Changes in accounts receivable			(164,332)	
Changes in accounts payable			145,126	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ (133,043)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 EMS RESPONSE TRUCK - DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	230,020	230,020	328,511	98,491
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	279	279
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>230,020</u>	<u>230,020</u>	<u>328,790</u>	<u>98,770</u>
Expenditures				
Current:				
General government	259,815	259,815	259,815	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>259,815</u>	<u>259,815</u>	<u>259,815</u>	-
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(29,795)</u>	<u>(29,795)</u>	<u>68,975</u>	<u>98,770</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ (29,795)</u>	<u>(29,795)</u>	<u>68,975</u>	<u>98,770</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 68,975</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 TOME/ADELINO FIRE PUMPER II - DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	150,000	150,000	338,682	188,682
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	134	134
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>338,816</u>	<u>188,816</u>
Expenditures				
Current:				
General government	300,226	300,226	338,682	(38,456)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>300,226</u>	<u>300,226</u>	<u>338,682</u>	<u>(38,456)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(150,226)</u>	<u>(150,226)</u>	<u>134</u>	<u>150,360</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>\$ (150,226)</u>	<u>(150,226)</u>	<u>134</u>	<u>150,360</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 134</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 JARALES/PUEBLITO FIRE DEPARTMENT PUMPER - DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	3,167	3,167
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	39	39
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>3,206</u>	<u>3,206</u>
Expenditures				
Current:				
General government	-	-	100,026	(100,026)
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>100,026</u>	<u>(100,026)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(96,820)</u>	<u>(96,820)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Proceeds from issuance of debt	110,000	110,000	112,966	2,966
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>110,000</u>	<u>110,000</u>	<u>112,966</u>	<u>2,966</u>
<i>Net change in fund balance</i>	<u>\$ 110,000</u>	<u>110,000</u>	<u>16,146</u>	<u>(93,854)</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 16,146</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 LOS CHAVEZ FIRE DEPARTMENT PUMPER - DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	248,574	(248,574)
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>248,574</u>	<u>(248,574)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(248,574)</u>	<u>(248,574)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Proceeds from issuance of debt	-	-	248,574	248,574
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>248,574</u>	<u>248,574</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 EL CERRO FIRE DEPARTMENT - DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	46	46
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	46	46
Expenditures				
Current:				
General government	-	-	2,625	(2,625)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	2,625	(2,625)
<i>Excess (deficiency) of revenues over expenditures</i>	<i>-</i>	<i>-</i>	<i>(2,579)</i>	<i>(2,579)</i>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Proceeds from issuance of debt	70,021	70,021	177,625	107,604
Transfers out	-	-	-	-
Total other financing sources (uses)	70,021	70,021	177,625	107,604
Net change in fund balance	\$ 70,021	70,021	175,046	105,025
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 175,046</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
 VALENCIA COUNTY
 MANZANO VISTA PUMPER - DEBT SERVICE FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes:				
Property	\$ -	-	-	-
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	53	53
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>53</u>	<u>53</u>
Expenditures				
Current:				
General government	-	-	3,000	(3,000)
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>3,000</u>	<u>(3,000)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,947)</u>	<u>(2,947)</u>
<i>Other financing sources (uses)</i>				
Transfers in	-	-	-	-
Proceeds from issuance of debt	-	-	203,000	203,000
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>203,000</u>	<u>203,000</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>-</u>	<u>200,053</u>	<u>200,053</u>
Changes in accounts receivable			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net change in fund balance (GAAP Basis)			<u>\$ 200,053</u>	

See Notes to Financial Statements.

OTHER SUPPLEMENTAL SCHEDULES

STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS
Year Ended June 30, 2012

	Bank of West	NM Bank and Trust	US Bank	Wells Fargo	My Bank	NMFA	Total
Deposits in Bank or Savings and Loan							
Interest Bearing Savings	\$ 14,729,756	2,318,924	1,428	42,436	-	-	17,092,544
Interest Bearing Time Deposits	52,935	1,520,056	-	-	2,100,000	-	3,672,991
Interest Bearing Demand Deposits	-	-	-	-	127,323	-	127,323
Non-Interest Bearing Accounts	7,476,159	-	-	3,665	-	457,371	7,937,195
	<u>22,258,850</u>	<u>3,838,980</u>	<u>1,428</u>	<u>46,101</u>	<u>2,227,323</u>	<u>457,371</u>	<u>28,830,053</u>
Less: FDIC insurance	(7,736,580)	(250,000)	(1,428)	(46,101)	(377,323)	(457,371)	(8,868,803)
Total uninsured public funds	<u>\$ 14,522,270</u>	<u>3,588,980</u>	<u>-</u>	<u>-</u>	<u>1,850,000</u>	<u>-</u>	<u>19,961,250</u>
Collateral requirement @ 50%	<u>\$ 7,261,135</u>	<u>1,794,490</u>	<u>-</u>	<u>-</u>	<u>925,000</u>	<u>-</u>	<u>9,980,625</u>
Pledges and securities (CUSIP #, maturity date, security number)							
31410KG73, 6/1/2037, 528001608		544,559					544,559
312904MG7, 10/15/2012, 135025973		32,448					32,448
31395GKP6, 3/15/2033, 487000194		1,524,655					1,524,655
31398GNR6, 10/25/2037, 487005102		782					782
013595QQ9, 8/01/2021, 487002557		294,808					294,808
077571CS4, 6/1/2026, 077571CS4		1,194,066					1,194,066
31406RKD6, 11/01/2035, FN 817592	283,954						283,954
36202FP67, 2/20/2041, G2 4945	591,664						591,664
36202FYD2, 10/20/2026, G2 5208	4,032,142						4,032,142
36202FYD2, 10/20/2026, G2 5208	1,612,857						1,612,857
36225FBF5, 2/20/2041, G2 82737	1,399,586						1,399,586
914684CU7, 8/1/2022, UNIVERSITY NM GALLUP BRANCH	1,131,986						1,131,986
36202FM78, 12/20/2040, G2 4882	972,895						972,895
3620AEFJ4, 9/15/2041, G2 727469	922,236						922,236
36225E5K4, 10/20/2040, G2 82649	949,923						949,923
843789DC9, 8/1/2012, SOUTHERN SANDOVAL NMA	652,178						652,178
843789DGO, 8/1/2016, SOUTHERN SANDOVAL NMA	108,880						108,880
914684CV5, 8/1/2023, UNIVERSTIY NM GALLUP BRANCH	455,736						455,736
843789DE5, 8/1/2014, SOUTHERN SANDOVAL NMA	374,903						374,903
914684CU7, 8/1/2022, UNIVERSITY NM GALLUP BRANCH	269,778						269,778
914684CM5, 8/1/2015, UNIVERSITY NM GALLUP BRANCH	225,200						225,200
843789DF2, 8/1/2015, SOUTHERN SANDOVAL NMA	219,756						219,756
914684CJ2, 8/1/2012, UNIVERSITY NM GALLUP BRANCH	200,836						200,836
843789DL9, 8/1/2020, SOUTHERN SANDOVAL NMA	166,740						166,740
36202FQ66, 3/20/2041, G2 4977	655,199						655,199
011464EZ3, 8/1/2016, ALAMOGORDO NM MUNI					529,640		529,640
142735CZ0, 8/1/2017, CARLSBAD NM MUNI					949,263		949,263
953769HW9, 7/15/2012, WEST LAS VEGAS NM					400,692		400,692
953769HY5, 7/15/2014, WEST LAS VEGAS NM					424,588		424,588
Total pledged securities	<u>15,226,449</u>	<u>3,591,318</u>	<u>-</u>	<u>-</u>	<u>2,304,183</u>	<u>-</u>	<u>21,121,950</u>
Excess (deficiency)	<u>\$ 7,965,314</u>	<u>1,796,828</u>	<u>-</u>	<u>-</u>	<u>1,379,183</u>	<u>-</u>	<u>11,141,325</u>

Safekeeping locations for the above securities include Wells Fargo - Minneapolis, Minnesota, Commerce Bank and Federal Home Loan Bank - Dallas Texas.

STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF DEPOSIT AND INVESTMENT ACCOUNTS
Year Ended June 30, 2012

Bank Name	Acct. Type	Bank Balance	Deposits in Transit	Outstanding Checks	Book Balance
Deposits:					
Bank of the West		\$			
Operational Checking Account	Checking	7,476,159	50,846	506,337	7,020,668
Hospital	Checking	14,729,756	-	-	14,729,756
Paid Under Protest	Money Market	52,935	-	-	52,935
Wells Fargo					
Judicial Complex	Savings	42,436	-	-	42,436
Adult Detention Inmate	Checking	434	-	-	434
Adult Detention Commissary	Checking	3,231	-	-	3,231
US Bank					
Elec Fed Tax Pymt System Account	Savings	1,428	-	-	1,428
NM Bank & Trust					
General County	Money Market	1,520,056	-	-	1,520,056
3/12 Reserve Account	Savings	2,299,100	-	-	2,299,100
GO Public Safety Bond E-911	Savings	19,824	-	-	19,824
New Mexico Finance Authority					
Reserve Account	Deposit - State Treasurer	457,371	-	-	457,371
MyBank					
Inmate Account	Checking	93,768	-	-	93,768
Commissary Account	Checking	33,555	-	-	33,555
Certificate of Deposit	Certificate of Deposit	500,000	-	-	500,000
Certificate of Deposit	Certificate of Deposit	500,000	-	-	500,000
Certificate of Deposit	Certificate of Deposit	500,000	-	-	500,000
Certificate of Deposit	Certificate of Deposit	300,000	-	-	300,000
Certificate of Deposit	Certificate of Deposit	300,000	-	-	300,000
Subtotal Deposits		<u>28,830,053</u>	<u>50,846</u>	<u>506,337</u>	<u>28,374,562</u>
New Mexico State Treasurer					
RCF	RCF	4,380	-	-	4,380
LGIP	LGIP	<u>31,435</u>	-	-	<u>31,435</u>
Total deposits and investments per financial statements		\$ <u>28,865,868</u>	<u>50,846</u>	<u>506,337</u>	<u>28,410,377</u>

Total cash and cash equivalents per Statement of Net Assets	\$ 7,646,239
Total investments per Statement of Net Assets	3,708,806
Total restricted cash and cash equivalents per Statement of Net Assets	987,875
Total cash and cash equivalents per Statement of Fiduciary Assets and Liabilities	<u>16,067,457</u>
Total cash, cash equivalents and investments	<u>\$ 28,410,377</u>

**STATE OF NEW MEXICO
 VALENCIA COUNTY
 TAX ROLL RECONCILIATION - CHANGES IN PROPERTY TAXES RECEIVABLE
 Year Ended June 30, 2012**

Property taxes receivable, beginning of year	\$ 7,329,505
Add: prior year uncollectible balance	2,128,018
Changes to tax roll:	
Net tax charges to treasurer for fiscal year	41,163,610
Adjustments:	
Allowance for uncollectible taxes receivable	-
Charge off of taxes receivable	-
	<hr/>
Total receivable prior to collections	50,621,133
Collections for fiscal year ended June 30, 2012	<u>(40,288,380)</u>
Property taxes receivable at June 30, 2012	<u><u>\$ 10,332,753</u></u>

Property taxes are reported as follows

Governmental funds:	
County portion	3,254,477
Agency portion	<u>7,078,276</u>
Total property taxes receivable	<u><u>\$ 10,332,753</u></u>

Property taxes receivable by years:

2002	239,364
2003	273,124
2004	300,253
2005	353,536
2006	446,983
2007	653,871
2008	905,835
2009	1,304,644
2010	2,112,812
2011	<u>3,742,331</u>
	<u><u>\$ 10,332,753</u></u>

STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
Year Ended June 30, 2012

	Balance			Balance
	June 30, 2011	Additions	Deletions	June 30, 2012
ASSETS				
Cash and cash equivalents	\$ 12,754,393	31,325,549	28,012,485	16,067,457
Property taxes receivable	5,121,585	29,969,176	28,012,485	7,078,276
<i>Total assets</i>	<u>\$ 17,875,978</u>	<u>61,294,725</u>	<u>56,024,970</u>	<u>23,145,733</u>
LIABILITIES				
Deposits held in trust for others	\$ 324,509	1,444,893	1,168,329	601,073
Deposits held in trust for hospital levy	11,514,772	3,273,486	-	14,788,258
Deposits held in trust for other taxing entities	915,112	26,607,170	26,844,156	678,126
Due to other taxing entities	5,121,585	29,969,176	28,012,485	7,078,276
<i>Total liabilities</i>	<u>\$ 17,875,978</u>	<u>61,294,725</u>	<u>56,024,970</u>	<u>23,145,733</u>

COMPLIANCE SECTION

**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**

To Hector H. Balderas
New Mexico State Auditor and
Valencia County Commissioners
Valencia County
Las Lunas, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of Valencia County (the County) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 responses as items 2007-10, 2007-14, 2007-16, 2008-01, 2009-01, and 2011-01 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and responses as items 2012-01 to 2012-06 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2007-12, 2007-17, 2010-04, 2011-03, 2011-04, 2012-07 and 2012-08.

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 rponses as items 2010-01, 2011-02 and 2012-09.

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

This report is intended solely for the information and use of management, the County Commissioun, others within the entity, the State Auditor, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties

Albuquerque, New Mexico

The logo for Axiom, featuring the word "Axiom" in a stylized, cursive blue font.

December 21, 2012

OTHER DISCLOSURES

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS

2007-10 – Preparation of Financial Statements (Material Weakness) – Revised and Repeated

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 are limited on the procedures that can be performed due to limitation of the number of personnel and turnover of the department.

RECOMMENDATION: It is recommend that 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.

COUNTY RESPONSE: The County is converting to a new accounting software that has the capacity of producing financial statements.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2007-14 – Recording/Reconciliation of Cash (Material Weakness) – Revised and Repeated

CONDITION: During the current year testing procedures performed over cash, it was noted that cash is reconciled in total; however, not at the individual fund level. Additionally, it was noted that cash received is posted to one fund while expended out of another fund. Transfers to correct the variance do occur; however, is not consistent.

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: Cash reported at the fund level cannot be determined to be materially correct; therefore, each fund cannot be accurately budgeted for the fiscal year.

CAUSE: No changes to the current process between the Treasurers Department and Finance Department have been made to correct the variance of posting.

RECOMMENDATION: It is recommended that management implement the necessary procedures to ensure that all inflows, outflows and transfers are recorded to the correct fund. Subsequent to correction, it is recommended that Management and the County Commission work with the New Mexico State Auditor to accept beginning cash balances as of a certain date in time (as review and correction of all past cash activity is not considered to be beneficial as the general fund has already covered all prior cash shortfalls).

COUNTY RESPONES: The finance department will put policies and procedures together to require proper bank account reconcilment and subsequently work with the Treasurer's Office to compare and contrast bank rec information.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2007-16 – Capital Assets (Material Weakness) – Repeated

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.

RECOMMENDATION: It is 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.

COUNTY RESPONSE: Additions and deletions shown in the "Tax Maintenance Report" have been incorrect and do not represent uncollected property taxes the County has assessed and not collected. The County is establishing new accounting software which will resolve the issue with additions and deletions in the Tax Maintenance Report.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2008-01 – Weakness in Internal Control over Financial Reporting (Material Weakness) – Revised and repeated

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:

- Interfund receivables and payables are not balanced monthly and reconciled to the general ledger.
- 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 to payroll to ensure it reflects accurate and complete information.
- Management does not track capital asset acquisitions and remaining costs and compares to capital budgets.
- Capital asset listings are not routed to the appropriate managers to determine whether the assets still physically exist.
- The capital assets sub-ledger is not reviewed and reconciled to the general ledger
- Capital asset depreciation charges are not calculated correctly and are not reviewed for reasonableness by management.
- Disposals of capital assets are not reviewed by management and entered into the capital assets sub-ledger by accounting personnel in a timely fashion.
- No reconciliation of outstanding debt instruments to the general ledger is prepared and reviewed timely.
- The County 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.
- Those charged with governance are not actively involved and have significant influence over the entity's internal control environment and its financial reporting.

CRITERIA: NMSA 6-5-2 C states Entities shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.

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.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2008-01 – Weakness in Internal Control over Financial Reporting (Material Weakness) – Revised and repeated (Continued)

RECOMMENDATION: 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.

COUNTY RESPONSE: The finance department will put policies and procedures together to require proper accrual methods and inter-fund reconciliation along with internal controls over financial reporting.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2009-01 – Entity-Wide Control Deficiency (Material Weakness) – Repeated

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.

Accounting literature refers to "Tone at the Top," as an important component of Internal Control. Tone at the Top refers to how an organization's leadership creates the tone at the top - an ethical (or unethical) atmosphere in the workplace. Management's tone has a trickle-down effect on employees. If top managers uphold ethics and integrity so will employees. But if upper management appears unconcerned with ethics and focuses solely on the bottom line, employees will be more prone to commit fraud and feel that ethical conduct isn't a priority. In short, employees will follow the examples of their bosses.

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.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2009-01 – Entity-Wide Control Deficiency (Material Weakness) – Repeated (Continued)

RECOMMENDATION: 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. County management take a more active role in setting a positive tone in bring positive change to the County.

COUNTY RESPONSE: The finance department will put policies and procedures together to require proper accrual methods and inter-fund reconciliation along with internal controls over financial reporting.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2011-01 – Lack of Segregation of Duties in the Detention Center (Material Weakness) – Revised and Repeated

CONDITION: The staff members at the Adult Detention Center collect all the money submitted for the day. Together they count the cash and then prepare the bank deposit. Bank reconciliations are not being prepared. The Detention Warden reviews the bank statement but does not reconcile the bank statement.

CRITERIA: Segregation of duties over receipts and disbursements is required to maintain proper and sufficient internal controls per NMSA 6-5-2 internal controls, The division shall maintain a central system of state accounts and shall devise, formulate, approve, control and set standards for the accounting methods and procedures of all state agencies. The division shall prescribe procedures, policies and processing documents for use by state agencies in connection with fiscal matters and may require reports from state agencies as may be necessary to carry out its duties and functions. State agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.

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 Management does have the monthly bank statements reconciled. This is an important part of the internal control over receipting, depositing and controlling cash receipts.

RECOMMENDATION: Detention management should continue to review the bank statements. A different person from the two staff that count and deposit the money should reconcile the monthly bank statement.

COUNTY RESPONSE: The Finance Department will analyze the financial operations in the Detentions Center and develop policies and procedures to mitigate risks associated with segregation of duties and to ensure that the bank reconciliations are completed properly.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2012-01 – Internal Controls over Payroll Deductions (Significant Deficiency)

CONDITION: Through evaluation of the current cash disbursements control cycle, it was noted that payments related to payroll deductions (i.e. payments to insurance, prepaid legal, etc.) are not being reviewed prior to disbursement.

CRITERIA: 6-5-2C NMSA 1978 states that an entity shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.

EFFECT: Unauthorized payment of benefits could occur undetected as the payment does not reduce a liability, as would occur in standards operations, but reduces the expense posted when disbursed.

CAUSE: The current procedures related to the processing of payroll deduction auto post to an expenditure line item. Manually tracking of the payment is completed on a biweekly basis and paid monthly. The current procedures have not incorporated a level of supervisory review to prevent or detect erroneous payments.

RECOMMENDATION: It is recommended that management evaluate the positions within the finance department to 1) ensure that there is adequate segregation in the duties performed and 2) ensure that all procedures undertake a level of review by an individual whose position is at least one step higher than the individual posting the transactions.

COUNTY RESPONSE: The County will establish new policies and procedures to implement a new review process for payroll deductions.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2012-02 – Authorized Check Signers (Significant Deficiency)

CONDITION: Through the course of the current year audit, it was noted that the County has not evaluated current authorized check signers' access to the County's financial institutions. It was noted that personnel who are no longer employed by the County continue to have access granted to certain institutions as an authorized signer.

CRITERIA: Adequate safeguarding of public assets requires that management undertake certain procedures annually, at a minimum, to ensure that access is granted to only individuals authorized to conduct business on behalf of the County. Such procedures should evaluate turnover over of staffing through retirement or termination of employment.

EFFECT: Unauthorized access to bank accounts by personnel no longer employed by the County raises risk for unauthorized withdraws of public monies.

CAUSE: During the fiscal year, the County has not implemented a procedure to actively evaluate and correct, if needed, individuals authorized to sign checks.

RECOMMENDATION: It is recommended that management immediately evaluate all current authorized check signers' at all financial institutions in which the County conducts financial transactions. It is further recommended that management implement an annual review policy to ensure accurate safeguarding of assets.

COUNTY RESPONSE: County will promptly make change to assure that check signers are current necessary members of management.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2012-03 – Segregation of Duties in Payroll Disbursements Process (Significant Deficiency)

CONDITION: Through current year evaluation of the payroll transaction cycle, it was noted that the individual responsible for processing of payroll has access to addition and deletion of employees within the payroll processing system.

CRITERIA: 6-5-2C NMSA 1978 states that an entity shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. Furthermore, adequate segregation of duties shall be considered for all control implementations in that no single individual has authority to initiate or conduct a transaction, process and record transactions, and maintain custody of an asset.

EFFECT: Access to processing payroll transactions and add/delete employees is considered a segregation of duties violation (authorization and recordkeeping) and causes risk for entry and payment to fictitious employees.

CAUSE: Turnover during the fiscal year caused the payroll accountants position to be vacant. Furthermore, access was not granted to the human resources department to add and delete employees.

RECOMMENDATION: It is recommended that access for entry and deletion of employees within the payroll processing system be removed for all personnel who have access to processing payroll transactions. It is further recommended that the human resources department, who should not have access to process payroll, have access to only add and delete employees within the system.

COUNTY RESPONSE: The Finance Department has established separation of duties in the payroll function which will significantly decrease the risk related to this finding.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2012-04 – Payroll Disbursements Transaction Cycle Control Deficiencies (Significant Deficiency)

CONDITION: Through the course of the current year audit pertaining to the payroll disbursements transaction control cycle we noted the following:

- In a sample of 40 tested, we noted one instance where a) the employee was overpaid by 8.5 hours and b) was paid 25.5 hours in a 24 hour period (per review of approved timecard).
- In a sample of 40 tested, we noted one instance where a timecard was not available.
- In a sample of 40 tested, authorization for voluntary deductions was unavailable for the entire sample.
- In a sample of 40 tested, we noted one instance where the employee's personnel file was not found.
- In a sample of 40 tested, we noted one instance where a timecard was not approved.

CRITERIA: 6-5-2C NMSA 1978 states that an entity shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.

EFFECT: Inaccurate processing of payroll transactions and inadequately kept payroll records increases risk for unauthorized or erroneous payroll transactions to occur during the fiscal year.

CAUSE: Turnover during the fiscal year caused the payroll accountants position to be vacant. Personnel, who previously have not been trained in the payroll function, were required to process payroll during the period in which the payroll accountants position was vacant. Attempt to calculate time and a half for holiday pay caused processing of time greater than a 24 hour day; however, attempt continued to cause overpayment of hours.

RECOMMENDATION: It is recommend that management evaluate cross-training the payroll function to multiple personnel to avoid loss of procedural knowledge upon termination of employment.

COUNTY RESPONSE: The County will establish policies and procedures to create controls that assure proper authorizations and a time card review process. The County will also establish policies and procedures to create controls that assure proper authorizations and a time sheet review process. The County has reorganized payroll staff and has worked with legal counsel to clarify holiday wages and ensure proper holiday pay. The Human Resources Department has been reorganized and personnel files have been updated and properly maintained to account for voluntary deduction changes and requests. The Human Resources Department has audited personnel files and has updated files to account for personnel actions.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2012-05 – Absent Recording of Prepaid Expenditures and Inventory (Significant Deficiency)

CONDITION: During the current fiscal year it was noted that the County does not have a process for tracking and recording of inventory. Inventory booked on the Government-wide statements is based on known inventory rather than counted and tracked inventory. Furthermore, based on the testing procedures performed significant journal entries were required to be posted to record the balance of prepaid expenditures.

CRITERIA: Generally Accepted Accounting Principals requires that management accurately track and record its inventory cost, at least annually. Furthermore, adequate accounting procedures require that management evaluate significant costs that span a period of time as prepaid expenditures.

EFFECT: Inaccurate tracking of inventory can cause material misappropriation of assets and can cause unwarranted increase in cost of inventory. Furthermore, inaccurate tracking of prepaid expenditures causes the financial statements to overstate expenditures and understate assets.

CAUSE: Absent financial close and reporting procedures have caused the County to miss the booking of prepaid expenditures. Furthermore, absent procedures in departments who carry inventory have caused the County to report an inventory balance that could be either over or understated.

RECOMMENDATION: It is recommended that management incorporate into its financial close and reporting procedures, a process to track expenditures that cover multiple periods to identify whether it should be considered a prepaid expenditure. Furthermore, it is recommended that the County evaluate all departments that carry inventory, implement a procedure to track that inventory and ensure it is inventoried annually.

COUNTY RESPONSE: The County will establish policies and procedures that will be performed and reviewed in a timely manner.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

FINANCIAL STATEMENT FINDINGS (CONTINUED)

2012-06 – Accrued Compensated Absences Imposed 240 Hour Limitation (Significant Deficiency)

CONDITION: Testing of the payroll system identified that the 240 hour accrual limitation was not imposed by the system at the beginning of the year; therefore, accrual of compensated absences above the maximum allowed hours occurred.

CRITERIA: All systems that process transactions of the County should operate in accordance with applicable laws and County Policies.

EFFECT: Accrual of compensated absences above the maximum allowed hours is considered noncompliance with County policies set by the County Commission. Additionally, accrual above the maximum causes additional expenditure of public funds.

CAUSE: Absent financial close and reporting procedures coupled with vacancy of the payroll accounting position caused the County to overlook the accrual of compensated absences at year end.

RECOMMENDATION: It is recommended that management implement proper financial close and reporting procedures to review for accurate accrual of all related payroll liabilities at fiscal year end. It is additionally recommended that management evaluate the payroll system to ensure that it is operating within the policies set forth by the County Commission.

COUNTY RESPONSE: The County will establish policies and procedures with respect to establishing a new accounting software system that will auto calculate and provide restrictions in order not to exceed the 240 hour limitation.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

OTHER MATTERS REQUIRED TO BE COMMUNICATED

2007-12 – No Ten Year Property Tax Schedule (Other Matters) - Repeated

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.

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

COUNTY RESPONSE: The Treasurer's Office has been unable to create the Ten Year Property Tax Schedule because the Triadic system (current accounting software) does not break down the information required in the report, by entity, for the additions and deletions made throughout the year. The new accounting software that is being implemented will start tracking this information to resolve the issue on the future.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

OTHER MATTERS REQUIRED TO BE COMMUNICATED (CONTINUED)

2007-17 – Property Tax Roll (Other Matters) - Repeated

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.

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

COUNTY RESPONSE: Additions and deletions shown in the “Tax Maintenance Report” have been incorrect and do not represent uncollected property taxes the County has assessed and not collected. The County is establishing new accounting software which will resolve the issue with additions & deletions in the Tax Maintenance Report.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

OTHER MATTERS REQUIRED TO BE COMMUNICATED (CONTINUED)

2010-01 – Travel and Per Diem (Other Matters) – Revised and Repeated

CONDITION: During testwork performed, we noted one out of a sample of 5 travel and per diem disbursements identified that reimbursement for actual costs exceeded the maximum allowable \$30 reimbursement for in-state travel in a 24 hour period.

CRITERIA: County Policy No. 401-02-6, Section 6B(2) stipulates that reimbursement for actual costs cannot exceed the maximum allowable \$30 reimbursement for in-state travel in a 24 hour period.

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

CAUSE: The reimbursement was overlooked and too much was reimbursed.

RECOMMENDATION: It is recommended that the County follow County Policy when paying per diem and travel reimbursements.

COUNTY RESPONSE: County will implement a policy that will require the accounts payable clerk to review all travel vouchers to assure the appropriate reimbursement rate.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

OTHER MATTERS REQUIRED TO BE COMMUNICATED (CONTINUED)

2010-04 – Expenditures in Excess of Budget (Other Matters and Noncompliance) – Revised and Repeated

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

<u>Fund</u>	<u>Excess of Expenditures over Appropriations</u>
Fire Protection Special Revenue Fund	\$ (368,733)
Farm and Range Special Revenue Fund	(627)
GRT – Regional Transit Special Revenue Fund	(540,273)
Valuation Maintenance Special Revenue Fund	(76,491)
Fire Excise Tax Special Revenue Fund	(554,685)
EMS – GRT Special Revenue Fund	(425,915)
CDBG Special Revenue Fund	(10,522)
Department of Justice Special Revenue Fund	(52,770)
Bonds/Judicial Renovation Special Revenue Fund	(29,992)
Legislative Appropriation FY 03/04 Capital Projects Fund	(103,771)
Legislative Appropriation FY 04/05 Capital Projects Fund	(104,221)
Legislative Appropriation FY 06/07 Capital Projects Fund	(186,652)
Legislative Appropriation FY 09/10 Capital Projects Fund	(91,843)
Bond/Public Safety/E-911 Facility Debt Service Fund	(405,808)
County Debt Service Fund	(145,126)
Tome/Adelino Fire Pumper II Debt Service Fund	(38,456)
Jarales/Pueblito Fire Department Pumper Debt Service Fund	(100,026)
Los Chavez Fire Department Pumper Debt Service Fund	(248,574)
El Cerro Fire Department Debt Service Fund	(2,625)
Manzano Vista Pumper Debt Service Fund	(3,000)
Total Excess of Expenditures over Appropriations	\$ <u><u>(3,490,110)</u></u>

CRITERIA: 6-6-11. Yearly expenditures limited to income; Bateman Act. (1968) It is unlawful for any board of county commissioners, municipal governing body or any local school board, for any purpose whatever to become indebted or contract any debts of any kind or nature 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, and any indebtedness for any current year which is not paid and cannot be paid, as above provided for, is void. Any officer of any county, municipality, school district or local school board, who shall issue any certificate or other form of approval of indebtedness separate from the account filed in the first place or who shall at any time use the fund belonging to any current year for any other purpose than paying the current expenses of that year, or who shall violate any of the provisions of this section, is guilty of a misdemeanor.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

OTHER MATTERS REQUIRED TO BE COMMUNICATED (CONTINUED)

2010-04 – Expenditures in Excess of Budget (Other Matters and Noncompliance) – Revised and Repeated (Continued)

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.

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

COUNTY RESPONSE: The Finance Department will establish policies and procedures to analyze the budget quarterly in order to prevent overspending.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

OTHER MATTERS REQUIRED TO BE COMMUNICATED (CONTINUED)

2011-02 – Insufficient Documentation and Use of Credit Cards (Other Matters) – Revised and Repeated

CONDITION: Through inquiry, we noted that there is only one credit card issued to the County (rather than several issued to department managers). Each manager is required to check out the credit card for use; however, it has been noted that some managers have written the number down to make authorized purchases without the actual physical act of checking the card out. We consider there to be risk related to miscellaneous purchase on the card going undetected as there is no specific single individual responsible. Through review of the credit card statement, an aggregate limit of \$15,000 is placed on the card with no individual purchase limit.

CRITERIA: NMSA 6-5-2 C states State agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. In addition, state agencies shall implement controls to prevent the submission of processing documents to the division that contain errors or that are for a purpose not authorized by law.

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.

RECOMMENDATION: We recommend that the County implement stronger controls over the access and use of the credit cards. The County may want to consider allowing only the Purchasing Agent access and use of the credit card.

COUNTY RESPONSE: The County is in the process of implementing a government purchase card system that will allow greater financial control and prevention of unauthorized purchases.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

2011-03 Reporting (Significant Deficiency) – Repeated

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 it was noted that the County has still not filed 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.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

OTHER MATTERS REQUIRED TO BE COMMUNICATED (CONTINUED)

2011-04 – Internal Controls over Disbursements (Other Matters) – Revised and Repeated

CONDITION: During our internal control testwork the County was unable to locate 2 of 40 disbursements selected for testing.

CRITERIA: Appropriate business practice requires that all records related to processing of transactions with public monies be stored and available upon request.

EFFECT: Lack of documentation related to disbursements raises risk for improper use of public monies or increases risk for erroneously processed transactions.

CAUSE: Turnover in the finance department has disallowed accurate recordkeeping practices.

RECOMMENDATION: It is recommended that the County evaluate its current procedures related to documentation retention and ensure that it is compliant with all applicable laws, regulations and internal County policy.

COUNTY RESPONSE: The County will train staff on internal control procedures and will establish policies and procedures for the cash disbursements function.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

OTHER MATTERS REQUIRED TO BE COMMUNICATED (CONTINUED)

2012-07 – Tracking of Fringe Benefits (Other Matters and Noncompliance)

CONDITION: The County does not track and record employee fringe benefits

CRITERIA: 2.2.2.10.h(2) NMAC requires that the County follow IRS guidelines regarding fringe benefits.

EFFECT: Lack of tracking employee fringe benefits causes under reporting of employee W-2 wages which in effect may cause IRS fees and penalties at the County and individual employee level. The County is non-compliant with 2.2.2.10.h(2) NMAC.

CAUSE: Due to turnover of the County, personnel were not aware of the specified requirement.

RECOMMENDATION: It is recommended that the County implement policies and procedures for tracking of fringe benefits paid to County employees.

COUNTY RESPONSE: The County will establish policies and procedures to develop controls that will ensure proper reporting to the Internal Revenue Service.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

OTHER MATTERS REQUIRED TO BE COMMUNICATED (CONTINUED)

2012-08 – Social Security Compliance (Other Matters)

CONDITION: Through evaluation of the current year procedures utilized by the County, we identified that social security form 1945, *Statement Concerning Your Employment in a Job Not Covered by Social Security*, or its equivalent were not signed for newly hired employees not subjected to social security taxation.

CRITERIA: 2.2.2.10H(2)d NMAC requires that entities comply with the Social Security Administrations requirement that all state and local government employers disclose to all new employees the fact that their job is not covered by social security if they were hired for a position not covered by social security. These employees must sign a statement that they are aware of a possible reduction in their future Social Security benefit entitlement.

EFFECT: Employees who work for the County could be misinformed related to their future postretirement benefit.

CAUSE: The County was not aware of the requirement imposed by the Social Security Administration.

RECOMMENDATION: It is recommended that the County implement the form in their new hire orientation process. It is additionally recommended that they evaluate all current employees to ensure that all have been notified and acknowledge that their benefit could be reduced.

COUNTY RESPONSE: The Human Resources Department has initiated a system that ensures new hires will sign the required tax form 1945.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2012**

2012-09 – Late Audit Report (Other Matters)

CONDITION: The audit report as of and for the year ended June 30, 2012 was not submitted by the deadline of November 15, 2012.

CRITERIA: 2.2.2 NMAC Audit Rule 2012 specifies the deadline for the submission of audit reports. Section 2.2.2.9 A(1)(c) stipulates that the County's reports are due no later November 15th. Further, Section 2.2.2.9 A(2) requires that submission of a late audit report shall be reported as a current year finding in the audit report.

EFFECT: The County is not in compliance with Section 2.2.2.9 A(1)(C) of the NMAC, Audit Rule 2012 which may impact future funding.

CAUSE: The County completed the procurement process for the audit late as a result in the change in County management. Additionally, there was significant turnover in the accounting department causing additional time to address questions of the auditors.

RECOMMENDATION: The County should ensure that its accounting records are reconciled and ready for audit in a timely manner.

COUNTY RESPONSE: The County will ensure that the fiscal 2013 audit will be completed timely.

**STATE OF NEW MEXICO
VALENCIA COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2012**

Finding #	Finding	Status
FS 2007-10	Preparation of Financial Statements	Revised and Repeated as 2007-10
FS 2007-12	No Ten Year Property Tax Schedule	Repeated as 2007-12
FS 2007-14	Recording/Reconciliation of Cash	Revised and Repeated as 2007-14
FS 2007-16	Capital Assets	Repeated as 2007-16
FS 2007-17	Property Tax Roll	Repeated as 2007-17
FS 2008-01	Internal Control over Financial Reporting	Revised and Repeated as 2008-01
FS 2009-01	Entity-Wide Control Deficiency	Repeated as 2009-01
FS 2009-03	Cash Appropriations in Excess of Available Cash Balances	Resolved
FS 2010-06	Cash Deposits not Made Timely	Resolved
FS 2010-01	Travel and Per Diem	Revised and repeated as 2010-01
FS 2010-04	Expenditures in Excess of Budget	Revised and repeated as 2010-04
FS 2011-01	Lack of Segregation of Duties in Detention Center	Revised and Repeated as 2011-01
FS 2011-02	Insufficient Documentation and use of Credit Cards	Revised and Repeated as 2011-02
FS 2011-03	Internal Controls over Voided Checks	Resolved
FS 2011-04	Internal Controls over Disbursements	Revised and Repeated as 2011-04
FA 2011-01	Davis Bacon Certified Payroll Compliance	Resolved
FA 2011-02	Unallowable Costs	Resolved
FA 2011-03	Reporting	Repeated as 2011-03
FA 2011-04	Internal Controls over Compliance Requirements that are Direct and Material	Resolved
FA 2011-05	Excluded Parties List	Resolved

**STATE OF NEW MEXICO
VALENCIA COUNTY
EXIT CONFERENCE
JUNE 30, 2012**

Exit Conference

An exit conference was conducted on December 10, 2012, with the following individuals:

Valencia County

Donald Holliday, Commission Chairman
Mary J. Andersen, Commissioner
Dorothy L. Lovato, Treasurer
Bruce Swingle, County Manager
Nick Telles, Finance Director
Michael Vinyard, Purchasing Director
Christina Card, Finance Administrator
Kendra Kaneshiro, Bookkeeper – Treasurers Office

Axiom Certified Public Accountants and Business Advisors, LLC

Chris Garner, CPA, Partner
Jim Cox, Supervisor

Auditor Prepared Financial Statements

Axiom Certified Public Accountants and Business Advisors, LLC prepared the GAAP-basis financial statements, related footnotes and supporting schedules 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.