

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO  
ECONOMIC DEVELOPMENT DISTRICT**

**Annual Financial Report  
For the Year Ended June 30, 2008**

**(With Independent Auditor's Report Thereon)**

## INTRODUCTORY SECTION

STATE OF NEW MEXICO  
 NORTH CENTRAL NEW MEXICO ECONOMIC  
 DEVELOPMENT DISTRICT  
 June 30, 2008

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NORTH CENTRAL NEW MEXICO ECONOMIC  
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**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
Official Roster  
as of June 30, 2008**

**Board Of Directors**

Nick L. Salazar ..... President  
Lawry Mann ..... Vice-President  
Nick J. Vigil ..... Treasurer  
Ernesto J. Salazar ..... Secretary

**COLFAX COUNTY**

Tresa Kragan  
Fred Sparks  
Marietta Shell  
William H. Conley

**LOS ALAMOS COUNTY**

Jim L. West  
Nona B. Bowman  
Anthony Mortillaro  
Lawry Mann

**MORA COUNTY**

Peter Martinez  
Vacant  
Betty Medina

**RIO ARRIBA COUNTY**

Elias Coriz/  
Lorenzo Valdez  
Nick L. Salazar  
Joseph Maestas  
Nick Vigil

**SANDOVAL COUNTY**

Annelle Brown  
Orlando Lucero  
Joshua Madalena  
Peggy Cote

**SAN MIGUEL COUNTY**

Vacant  
Les Montoya  
Ernesto J. Salazar  
Tony E. Marquez, Jr.

**SANTA FE COUNTY**

David Coss  
Pat Larragoite  
Harry Montoya  
Jack Kolkmeier

**TAOS COUNTY**

Bobby F. Duran  
Rebecca Latham  
Gabriel J. Romero  
John Otis

**INDIAN  
REPRESENTATIVES**

James R. Madalena

**EX-OFFICIO MEMBER**

Vacant

**ADMINISTRATIVE OFFICIAL**

Barbara Deaux ..... Executive Director

## FINANCIAL SECTION



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## INDEPENDENT AUDITOR'S REPORT

Nick L. Salazar, President  
Members of the Board of Directors  
North Central New Mexico Economic Development District  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and major special revenue fund, and the aggregate remaining fund information of the State of New Mexico, North Central New Mexico Economic Development District (District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements and the budgetary comparisons as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the District'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 District'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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the State of New Mexico, North Central New Mexico Economic Development District, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2008, and the respective changes in financial position thereof, and the respective budgetary comparisons for 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 12, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.



That report is an integral part of an audit performed in accordance with **Government Auditing Standards** and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages ix through xv are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**, and is not a required part of the financial statements. The additional schedules listed as "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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Robert J. Rivera, CPA, PC  
Santa Fe, New Mexico  
December 12, 2008

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

The Management's Discussion and Analysis (MD & A) for the North Central New Mexico Economic Development District (District) will provide an overview of the District's activities and programs by (1) evaluating the operating results for the year, (2) assess its financial position and condition, (3) understand its sources and uses of financial resources, (4) determine if budgets were met, and (5) identify budget issues or concerns.

**AGENCY HIGHLIGHTS**

The District was created on May 31, 1967, by a joint powers agreement between eight counties. The eight counties that are part of the agreement are: Rio Arriba, Taos, Colfax, Sandoval, Los Alamos, Santa Fe, San Miguel and Mora. The authority for the creation of the District is the Joint Powers Agreement Act, Sections 11-1-1 to 11-1-7, NMSA, 1978 Compilation. The purpose of the District is to provide cooperative planning and implementation of overall economic development for north central New Mexico, thereby promoting the social and economic environment of its members. Another principal purpose of the District is to implement specific programs and projects that are considered essential and worthy to the welfare of the members of the District. To fulfill this purpose, the District also administers services provided to elderly citizens under the Older American Act through a contract with the New Mexico Aging and Long-Term Care Department.

**FINANCIAL HIGHLIGHTS**

- The assets of the District exceeded liabilities at the close of the most recent fiscal year by \$1,816.2 (*net assets*). A significant reason for the District's positive net asset balance is its loan portfolio in the amount of \$924.3, and the cash balances associated with the revolving loan funds in the amount of \$195.2.
- The District's total net assets increased by \$49.1 compared to the prior year.
- As of the close of the current fiscal year, the District's governmental activities reported combined ending net assets of \$421.5, an increase of \$14.6 from the previous year. The increase is insignificant.
- All of the District's long-term liabilities are comprised of compensated absences payable. The balance increased by \$1.1. The increase is insignificant.

**USING THIS ANNUAL REPORT**

With implementation of GASB 34, the District has made significant changes in the financial statement presentation. The focus is now on government-wide reporting and major individual funds. The financial report includes the sections described below:

**Management's Discussion and Analysis**

This section provides an analysis of the District's financial activities based on currently known facts, decisions or conditions. It also provides an analysis of the District's overall financial position and results of operations to assist users in assessing whether the financial position has improved or if changes have occurred as a result of the year's activities.

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

**USING THIS ANNUAL REPORT (Cont'd)**

**Government-Wide Financial Statements**

The Government-Wide Financial Statements report information about the District as a whole using accounting similar to those used by private sector businesses. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The financial statements report the District's net assets and how they have changed.

**Fund Financial Statements**

The fund Financial Statements provide a more detailed look at the District's significant funds. Funds are accounting methods that the District uses to keep track of specific sources of funding and spending for a particular purpose. The District has two types of funds:

**Governmental Funds** - Most of the District's services are included in governmental funds. The funds present sources and uses of liquid resources. This is the manner in which the financial plan (the budget) is typically developed. Funds are established for various purposes and the financial statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith. Since this information does not include the additional long-term focus of the government-wide statements, reconciliation between the government-wide statements and the fund financial statements is provided for governmental-type activities.

**Proprietary Funds** - These funds are used to account for ongoing organizations and activities that are similar to those found in the private sector. The revolving loan funds are accounted for as enterprise funds since capital maintenance is critical, the funds carry long-term assets and cash flow information is necessary to assess the activity of the funds.

The funds are further classified as major and non-major. Major funds are determined by a percentage of assets, liabilities, revenues, or expenditures/expenses in relation to the totals of all funds in those categories. The General fund will always be considered major. The Area Agency on Aging PSA fund, and all of the revolving loan funds were determined to be major funds.

**Budgetary Comparisons**

GASB 34 requires budgetary comparison schedules for the general fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedules present both the original and the final appropriated budgets for the reporting period as well as the actual inflows, outflows and balances, stated on the governments's budgetary basis. As required by the Office of the State Auditor, the budgetary comparison statements are presented. This information is provided at the approved budget level to demonstrate compliance with legal requirements.

**Notes to Financial Statements**

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12 through 28 of this report.

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Assets:** Below is a summary of the District's net assets for the fiscal year ending 2008. The District reports balances in the following three categories of net assets: (1) invested in capital assets, (2) restricted, and (3) unrestricted. Restricted net assets are created by grant agreements and are required to be used for loans. See page 1 of this report for a more detailed look at the Statement of Net Assets.

**Net Assets  
(in thousands)**

	2007			2008			Increase (Decrease)
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total	
Current assets	\$ 1,595.6	\$ 223.3	\$ 1,818.9	\$ 1,763.5	\$ 470.4	\$ 2,233.9	\$ 415.0
Noncurrent assets	-	1,136.9	1,136.9	-	924.3	924.3	(212.6)
Capital assets	122.5	-	122.5	134.8	-	134.8	12.3
<b>Total assets</b>	<b>1,718.1</b>	<b>1,360.2</b>	<b>3,078.3</b>	<b>1,898.3</b>	<b>1,394.7</b>	<b>3,293.0</b>	<b>214.7</b>
Long-term liabilities	17.7	-	17.7	18.8	-	18.8	1.1
Current liabilities	1,293.5	-	1,293.5	1,458.0	-	1,458.0	164.5
<b>Total liabilities</b>	<b>1,311.2</b>	<b>-</b>	<b>1,311.2</b>	<b>1,476.8</b>	<b>-</b>	<b>1,476.8</b>	<b>165.6</b>
<b>Net assets:</b>							
Invested in capital assets	122.5	-	122.5	134.8	-	134.8	12.3
Restricted	-	1,360.2	1,360.2	-	1,394.7	1,394.7	34.5
Unrestricted	284.4	-	284.4	286.7	-	286.7	2.3
<b>Total net assets</b>	<b>\$ 406.9</b>	<b>\$ 1,360.2</b>	<b>\$ 1,767.1</b>	<b>\$ 421.5</b>	<b>\$ 1,394.7</b>	<b>\$ 1,816.2</b>	<b>\$ 49.1</b>

The largest portion of the District's assets is related to the cash, due from grantors, and loan receivable balances of the revolving loan funds. These balances account for 96% of the District's assets. In accordance with GASB 34, the District has capitalized fixed assets, recorded depreciation, and recognized a liability for compensated absences payable in the governmental activities.

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

**Statement of Activities:** The following represents the revenues and expenses for fiscal year 2008. See page 2 for a more detailed look at the Statement of Activities.

**Net Asset Changes  
(in thousands)**

	2007			2008			Increase (Decrease)
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total	
<b>Revenues:</b>							
<i>Program revenues</i>							
Operating grants & contracts	\$ 18,314.0	\$ -	\$ 18,314.0	\$ 19,221.8	\$ -	\$ 19,221.8	907.8
Charges for services	11.9	33.2	45.1	16.7	28.7	45.4	0.3
General revenues (interest)	42.5	12.5	55.0	56.4	9.7	66.1	11.1
Other	-	-	-	0.8	23.4	24.2	24.2
<b>Total revenues</b>	<b>18,368.4</b>	<b>45.7</b>	<b>18,414.1</b>	<b>19,295.7</b>	<b>61.8</b>	<b>19,357.5</b>	<b>943.4</b>
<b>Expenses:</b>							
Community welfare	18,307.6	-	18,307.6	19,308.9	-	19,308.9	1,001.3
Economic development	-	10.2	10.2	-	-	-	(10.2)
<b>Total expenses</b>	<b>18,307.6</b>	<b>10.2</b>	<b>18,317.8</b>	<b>19,308.9</b>	<b>-</b>	<b>19,308.9</b>	<b>991.1</b>
<b>Excess (deficiency) before transfers</b>	<b>60.8</b>	<b>35.5</b>	<b>96.3</b>	<b>(13.2)</b>	<b>61.8</b>	<b>48.6</b>	<b>(47.7)</b>
<b>Transfers</b>	<b>43.3</b>	<b>(43.3)</b>	<b>-</b>	<b>27.3</b>	<b>(27.3)</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in net assets</b>	<b>104.1</b>	<b>(7.8)</b>	<b>96.3</b>	<b>14.1</b>	<b>34.5</b>	<b>48.6</b>	<b>(47.7)</b>
<b>Net assets-beginning (as restated)</b>	<b>302.8</b>	<b>1,368.0</b>	<b>1,670.8</b>	<b>407.4</b>	<b>1,360.2</b>	<b>1,767.6</b>	<b>96.8</b>
<b>Net assets-ending</b>	<b>\$ 406.9</b>	<b>\$ 1,360.2</b>	<b>\$ 1,767.1</b>	<b>\$ 421.5</b>	<b>\$ 1,394.7</b>	<b>\$ 1,816.2</b>	<b>\$ 49.1</b>

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

**FUND FINANCIAL ANALYSIS**

**Governmental Funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. As mentioned previously, funds are used by the District to keep track of specific sources of funding and spending for a particular purpose.

For the current year, the District had seventeen governmental funds and two proprietary funds. Ten of the District's governmental funds are used to account for specific grants and report no fund balance. One governmental fund is the general fund, one governmental fund is used to account for long-term care services to senior citizens and finally, two governmental funds are used to account for the administration of the revolving loan programs. The two proprietary funds are used to account for the revolving loan programs.

Governmental fund revenues increased by \$912.3 or 5% and governmental fund expenditures increased by \$997.4 or 5.5%. Governmental fund balances increased by \$5.3 or 1.4%. The reason for the increase in revenues and expenditures was primarily an increase in the grant agreements with the New Mexico Aging and Long-Term Care Department. The majority of governmental fund balance (\$216.5) is unreserved and available for expenditure in future years. The Board of Directors has reserved \$150.0 for fixed asset acquisitions and \$3.8 to fund compensated absences payable.

Proprietary fund net assets increased by \$34.5 or 2.5%. \$1,394.7 of proprietary fund net assets are restricted to making loans in accordance with the agreements that provided the initial capitalization of the loan funds. The restrictions associated with the Tri-County loan fund have expired and the net asset balance of that fund is unrestricted.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's budget was amended several times during the year. The primary reason for budget adjustments was to reflect amendments in grant agreements. Another reason for amendment is to reflect revised activity projections. The variance from the final amended budget was less than 4% which is an indicator of effective grants management.

**CAPITAL ASSET AND ADMINISTRATION**

**Capital Assets:** The District's investment in capital assets for its governmental activities as of June 30, 2008 amounts to \$134.8 (net of accumulated depreciation). This investment in capital assets consists mainly of vehicles and office equipment.

Major capital asset events during the current year included capital outlay purchases and capital assets contributed of \$89.7 and depreciation expense of \$54.5. Accumulated depreciation associated with capital assets contributed to the District was \$23.5.

**Capital Assets**

**Governmental Activities**

	2007	2008
Capital assets net of accumulated depreciation	\$122.5	\$134.8

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

**Long-Term Debt:** At the end of the current fiscal year, the District had total long term debt outstanding of \$83.6, amounts due to employees, comprising accumulated balances for vacation leave and sick leave eligible for payment to employees upon termination of their employment.

**Long-Term Debt**

**Governmental Activities**

	2007	2008
Accumulated leave balances:		
Vacation leave	\$64.0	\$70.2
Sick leave	16.5	13.4
Total	\$80.5	\$83.6

Compensated absences payable increased by 3.9% from the previous year.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

See information below under activity highlights. The District does not anticipate any significant changes in next year's operations and budgets.

**ACTIVITY HIGHLIGHTS:**

In Fiscal Year 2007-2008, North Central New Mexico Economic Development District (NCNMEDD) continued its provision of services to the elderly much as it had the previous year in the 32 county service area known as the Non-Metro Area Agency on Aging. To cover this service area, NCNMEDD has offices in Santa Fe, Clovis, Tucumcari, Taos and Deming.

Staff continued to work with each provider to help them determine a true cost for each unit of the various services they provide. Programs were encouraged to determine their full cost and to estimate how many of each service they could provide. Contracts were based on the program's self-identified costs and the number of service units anticipated.

Non-Metro staff also continued the administration of the federally mandated data collection system for services to the elderly. This enabled contractors to simply verify the number of services provided each month in order to be paid based on the predetermined fee.

Reimbursement of state and federal funds to senior programs was based on the agreed upon unit costs and the verified number of services provided.

The Long Term Care Program did not generate any revenues for NCNMEDD this year. All providers in the program have begun billing the state directly. Known formally as the Medicaid Personal Care Option, this program allows payment to providers of certain in-home services to eligible senior citizens. NCNMEDD does not expect additional revenue in this area and will use the reserve fund created for board approved activities.



**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008**

NCNMEDD continued to participate in a federal program to add special services to those who take care of individuals with Alzheimers or other dementias. This involved training and respite care for caregivers. In addition, NCNMEDD was awarded a small grant by the National Association for Area Agencies on Aging to help rural seniors better utilize services for which they are eligible.

NCNMEDD was awarded \$120,000 in capital outlay funds for the provision of computers to various senior programs around the state. NCNMEDD is working with state agencies to improve the electronic communication capabilities among senior and other programs to improve decision making and to cut transportation costs.

In the Planning and Technical Assistance Program, the District continued to assist in administering one Economic Development grant totaling nearly \$1.3 million. In addition, the District continued its work with New Mexico's Land Grant communities, providing training and technical assistance in governance and a guidebook for ongoing reference through continuation of a grant from the New Mexico Energy, Minerals and Natural Resources Department.

NCNMEDD also continued to administer two contracts with the New Mexico Department of Transportation for Regional Planning Organizations. The Northern Pueblos RPO provided transportation planning to Santa Fe, Los Alamos, Rio Arriba and Taos Counties and the cities (with the exception of Santa Fe) and Indian Nationals in that area. The Northeast RPO provided similar services in Colfax, Mora and San Miguel Counties.

NCNMEDD continues to work on water and wastewater issues. The District is assisting the Greater Chimayo Mutual Domestic Water Consumers Association in the completion of its first phase of construction and, through funds from the Bureau of Reclamation, with the study of a regional water system linking the cities of Española and Chimayo.

In November 2007, NCNMEDD was part of a team led by the Regional Development Corporation that was awarded to contract to develop a 25 year strategic economic development plan for Los Alamos, Santa Fe, Rio Arriba and Taos Counties and the associated municipalities and tribes.

NCNMEDD continues to operate two loan funds for business development and to participate in the Kellogg Foundation-funded Empowering Business Spirit Initiative for the support of rural entrepreneurs.

#### **REQUESTS FOR INFORMATION**

The purpose of this financial report is to provide the general public and other interested parties with a general overview of this District's finances and accountability of funds. Questions regarding this report or requests for additional information should be addressed to the North Central New Mexico Economic Development District, P.O. Box 5115, Santa Fe, NM 87502-5115.

## **BASIC FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**Statement of Net Assets**  
**June 30, 2008**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash on deposit	\$ 596,882	\$ 470,390	\$ 1,067,272
Due from grantors	1,166,580	-	1,166,580
Loans receivable (net)	-	924,288	924,288
Capital assets (net)	134,849	-	134,849
 Total assets	 <u>1,898,311</u>	 <u>1,394,678</u>	 <u>3,292,989</u>
<b>LIABILITIES</b>			
Accounts payable	1,355,139	-	1,355,139
Payroll taxes payable	2,673	-	2,673
Deferred revenue	27,044	-	27,044
Due to State of NM	3,724	-	3,724
Other liabilities	4,668	-	4,668
Compensated absences:			
Due within one year	64,816	-	64,816
Due after one year	18,763	-	18,763
 Total liabilities	 <u>1,476,827</u>	 <u>-</u>	 <u>1,476,827</u>
<b>NET ASSETS</b>			
Invested in capital assets	134,849	-	134,849
Restricted for:			
Loans	-	1,394,678	1,394,678
Unrestricted	286,635	-	286,635
 Total net assets	 <u>\$ 421,484</u>	 <u>\$ 1,394,678</u>	 <u>\$ 1,816,162</u>

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

STATE OF NEW MEXICO  
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
 Statement of Activities  
 For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>Governmental Activities:</b>						
Community welfare	\$ (19,308,874)	\$ 16,730	\$ 19,221,745	\$ (70,399)	\$ -	\$ (70,399)
<b>Business-type Activities:</b>						
Economic development	-	28,696	-	-	28,696	28,696
Total	\$ <u>(19,308,874)</u>	\$ <u>45,426</u>	\$ <u>19,221,745</u>	<u>(70,399)</u>	<u>28,696</u>	<u>(41,703)</u>
<b>General Revenues:</b>						
Interest				56,385	9,679	66,064
Other revenue				770	-	770
Loan loss recoveries				-	23,415	23,415
Transfers				27,290	(27,290)	-
Total general revenues and transfers				<u>84,445</u>	<u>5,804</u>	<u>90,249</u>
Change in net assets - increase (decrease)				<u>14,046</u>	<u>34,500</u>	<u>48,546</u>
Net assets, beginning (as reported)				406,939	1,360,178	1,767,117
<b>Restatements:</b>						
Prior-period adjustments				499	-	499
Net assets, beginning (as restated)				<u>407,438</u>	<u>1,360,178</u>	<u>1,767,616</u>
Net assets, ending				\$ <u>421,484</u>	\$ <u>1,394,678</u>	\$ <u>1,816,162</u>

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2008**

	Major Funds		Non-Major Funds	Total
	General Fund	Area Agency on Aging PSA	Other Funds	
<b>ASSETS</b>				
Cash on deposit and equivalent	\$ 153,117	\$ 314,370	\$ 129,395	\$ 596,882
Due from grantors	-	1,021,570	145,010	1,166,580
Due from other funds	117,132	-	-	117,132
Due from other programs	-	194,784	-	194,784
Total assets	<u>\$ 270,249</u>	<u>\$ 1,530,724</u>	<u>\$ 274,405</u>	<u>\$ 2,075,378</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,326,537	\$ 28,602	\$ 1,355,139
Payroll taxes payable	-	1,632	1,041	2,673
Deferred revenue	-	-	27,044	27,044
Due to other funds	-	-	117,132	117,132
Due to other programs	-	194,784	-	194,784
Other liabilities	-	3,476	-	3,476
Due to State of New Mexico	-	3,724	-	3,724
Assets held for others	-	-	1,192	1,192
Total liabilities	<u>-</u>	<u>1,530,153</u>	<u>175,011</u>	<u>1,705,164</u>
<b>FUND BALANCES</b>				
<b>Fund balances:</b>				
Reserved for:				
Capital asset acquisition	150,000	-	-	150,000
Payment of compensated absences	3,758	-	-	3,758
Unreserved-undesignated				
General Fund	116,491	-	-	116,491
Special Revenue Fund	-	571	99,394	99,965
Total fund balances	<u>270,249</u>	<u>571</u>	<u>99,394</u>	<u>370,214</u>
Total liabilities and fund balance	<u>\$ 270,249</u>	<u>\$ 1,530,724</u>	<u>\$ 274,405</u>	<u>\$ 2,075,378</u>

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**Governmental Funds**  
**June 30, 2008**

		Total
Total fund balance for the governmental funds	\$	370,214
<p>Amount reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:</p>		
Capital assets (net)		134,849
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:</p>		
Compensated absences		(83,579)
Net assets of Governmental Activities	\$	421,484

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**Governmental Funds**  
**For the Year Ended June 30, 2008**

	Major Funds		Non-Major Funds	Total
	General Fund	Area Agency on Aging PSA	Other Funds	
<b>REVENUES</b>				
Federal operating grants	\$ -	\$ 5,822,424	\$ 194,001	\$ 6,016,425
State operating grants and contracts	-	12,907,746	221,056	13,128,802
Local and private grants and contributions	-	14,388	47,199	61,587
Membership assessments	16,730	-	-	16,730
Bank interest	56,385	-	-	56,385
Other	770	-	-	770
Total revenues	73,885	18,744,558	462,256	19,280,699
<b>EXPENDITURES</b>				
<b>Community welfare:</b>				
Health and welfare	-	18,385,635	-	18,385,635
Administration	241	238,352	555,761	794,354
Capital outlay	-	120,000	2,511	122,511
Total expenditures	241	18,743,987	558,272	19,302,500
Excess (deficiency) of revenues over expenditures	73,644	571	(96,016)	(21,801)
<b>Other financing sources (uses):</b>				
Operating transfers in	75,000	-	48,720	123,720
Operating transfers (out)	(96,430)	-	-	(96,430)
Total other financing sources (uses)	(21,430)	-	48,720	27,290
Net change in fund balance	52,214	571	(47,296)	5,489
Fund balance - beginning, as reported	218,035	220	146,690	364,945
<b>Restatements:</b>				
Prior-period adjustments	-	(220)	-	(220)
Fund balance - beginning, as restated	218,035	-	146,690	364,725
Fund balance - ending	\$ 270,249	\$ 571	\$ 99,394	\$ 370,214

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE TO THE STATEMENT OF NET ACTIVITIES**  
**Governmental Funds**  
**June 30, 2008**

		<b>Total</b>
Net Change in Fund Balance - Governmental Funds	\$	5,489
 Amounts reported for governmental activities in the statement of activities are different because:		
 Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset contributions	\$	14,931
Capital outlay		51,218
Depreciation expense		(54,513)
		11,636
 Some items reported in the statement of activities do not require these of current financial resources and therefore, are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences		(3,080)
Rounding		1
Changes in Net Assets of Governmental Activities	\$	14,046

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



STATE OF NEW MEXICO  
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
 MAJOR GOVERNMENTAL FUNDS  
 General Fund - All Accounts  
 For the Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Membership assessments	\$ 16,730	\$ 16,730	\$ 16,730	\$ -
Bank interest	56,385	56,385	56,385	-
Other revenue	450	450	770	320
Operating transfers in	75,000	75,000	75,000	-
Prior cash budgeted	<u>217,751</u>	<u>217,751</u>	<u>-</u>	<u>(217,751)</u>
Total revenues	<u>366,316</u>	<u>366,316</u>	<u>148,885</u>	<u>(217,431)</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	241	241	241	-
Operating transfers out	96,430	96,430	96,430	-
Budgeted reserves	<u>269,645</u>	<u>269,645</u>	<u>-</u>	<u>269,645</u>
Total expenditures	<u>366,316</u>	<u>366,316</u>	<u>96,671</u>	<u>269,645</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>52,214</u>	\$ <u>52,214</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 96,671	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 96,671</u>	

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**MAJOR GOVERNMENTAL FUNDS**  
**Area Agency on Aging PSA Special Revenue Fund**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Federal operating grants	\$ 5,286,924	\$ 5,822,424	\$ 5,822,424	\$ -
State operating grants and contracts	12,748,906	12,907,724	12,907,746	22
Local and private gifts and grants	-	14,429	14,388	(41)
	<u>18,035,830</u>	<u>18,744,577</u>	<u>18,744,558</u>	<u>(19)</u>
<b>EXPENDITURES:</b>				
<b>Community welfare:</b>				
Health and welfare	11,271,337	11,272,390	18,385,635	(7,113,245)
Administration	6,761,079	7,352,187	238,352	7,113,835
Capital outlay	3,414	120,000	120,000	-
	<u>18,035,830</u>	<u>18,744,577</u>	<u>18,743,987</u>	<u>590</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>571</u>	\$ <u>571</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 18,743,987	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 18,743,987</u>	

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

STATE OF NEW MEXICO  
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
 STATEMENT OF NET ASSETS  
 Proprietary Funds  
 June 30, 2008

	Economic Development Administration RLF	Tri-County RLF	Total
<b>ASSETS</b>			
<i>Current Assets:</i>			
Cash on deposit	\$ 275,240	\$ 195,150	\$ 470,390
<i>Noncurrent Assets:</i>			
Loans receivable (net)	503,771	420,517	924,288
Total assets	779,011	615,667	1,394,678
<b>LIABILITIES</b>			
<i>Current Liabilities:</i>			
Accounts payable	-	-	-
Total liabilities	-	-	-
<b>NET ASSETS</b>			
Restricted for loans	779,011	615,667	1,394,678
Unrestricted	-	-	-
Total net assets	\$ 779,011	\$ 615,667	\$ 1,394,678

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**Proprietary Funds**  
**For the Year Ended June 30, 2008**

	Economic Development Administration RLF	Tri-County RLF	Total
<b>OPERATING REVENUES</b>			
Loan interest	\$ 20,902	\$ 7,794	\$ 28,696
Loan loss recoveries	14,009	9,406	23,415
Loan fees	-	-	-
Total operating revenues	<u>34,911</u>	<u>17,200</u>	<u>52,111</u>
<b>OPERATING EXPENSES</b>			
Provision for loan losses	-	-	-
Total operating expenses	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating income (loss)</b>	<b>34,911</b>	<b>17,200</b>	<b>52,111</b>
<b>NON-OPERATING REVENUES</b>			
Bank interest	<u>6,434</u>	<u>3,245</u>	<u>9,679</u>
Income (loss) before contributions and transfers	41,345	20,445	61,790
<b>Contributions and transfers:</b>			
Operating transfers out	<u>(19,511)</u>	<u>(7,779)</u>	<u>(27,290)</u>
Net income (loss)	<u>21,834</u>	<u>12,666</u>	<u>34,500</u>
Net assets, beginning ( as reported)	757,177	603,001	1,360,178
<b>Restatements:</b>			
Prior-period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, beginning ( as restated)	<u>757,177</u>	<u>603,001</u>	<u>1,360,178</u>
Net assets, end of year	<u>\$ 779,011</u>	<u>\$ 615,667</u>	<u>\$ 1,394,678</u>

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF CASH FLOWS - INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**  
**Proprietary Funds**  
**For the Year Ended June 30, 2008**

	<b>Economic Development Administration RLF</b>	<b>Tri-County RLF</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Cash flows from operating activities:</b>			
Program loans made	\$ -	\$ -	\$ -
Program loan repayments	138,258	97,750	236,008
Loan interest received	20,902	7,794	28,696
	<u>159,160</u>	<u>105,544</u>	<u>264,704</u>
<b>Net cash provided (used) by operating activities</b>			
<b>Cash flows from non-capital financing activities:</b>			
Operating transfers out	<u>(19,511)</u>	<u>(7,779)</u>	<u>(27,290)</u>
<b>Net cash provided (used) by non-capital financing activities</b>	<u>(19,511)</u>	<u>(7,779)</u>	<u>(27,290)</u>
<b>Cash flows from investing activities:</b>			
Interest income	<u>6,434</u>	<u>3,245</u>	<u>9,679</u>
<b>Net cash provided (used) by investing activities</b>	<u>6,434</u>	<u>3,245</u>	<u>9,679</u>
<b>Net increase (decrease) in cash</b>	146,083	101,010	247,093
<b>Cash, beginning of year</b>	<u>129,157</u>	<u>94,140</u>	<u>223,297</u>
<b>Cash, end of year</b>	<u>\$ 275,240</u>	<u>\$ 195,150</u>	<u>\$ 470,390</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 34,911	\$ 17,200	\$ 52,111
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) decrease in loans receivable	139,801	98,160	237,961
Increase (decrease) in allowance	<u>(15,552)</u>	<u>(9,816)</u>	<u>(25,368)</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 159,160</u>	<u>\$ 105,544</u>	<u>\$ 264,704</u>

**Noncash investing, capital and financial activities:**

There were no significant noncash investing, capital and financing activities during the reporting period.

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2008**

**1. History and Functions**

The North Central New Mexico Economic Development District (District) was created on May 31, 1967, pursuant to a joint powers agreement between Rio Arriba, Taos, Colfax, Sandoval, Los Alamos, Santa Fe, San Miguel and Mora Counties under the authority of the Joint Powers Agreement Act, Section 11-1 to 11-1-7, NMSA, 1978 Compilation.

The purpose of the District is to provide cooperative planning and implementation of overall economic development for north central New Mexico, thereby promoting the social and economic environment of its members.

**2. Summary of Significant Accounting Policies**

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Proprietary activities have applied all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: FASB statements and interpretations, APB opinions, and ARB's of the Committee on Accounting Procedure. FASB statements and interpretations issued after November 30, 1989, have not been applied.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No.34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phased implementation based on the size of the government.

In June 2001, the GASB unanimously approved Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38 *Certain Financial Statement Note Disclosures*. Statement 37 clarifies and modifies Statements 34 and should be implemented simultaneously with Statement 34. Statement 38 modifies, establishes and rescinds certain financial statement disclosure requirements.

The District implemented the provisions of GASB Statement No. 34, 37 and 38 effective July 1, 2001. As part of this Statement, there is a new reporting requirement regarding the government's infrastructure (roads, bridges, etc.). The District does not own any infrastructure assets and, therefore, is unaffected by this requirement.

**A. Financial Reporting Entity**

The District is a special purpose government created by a joint powers agreement between eight counties under the authority of the Joint Powers Agreement Act. The District is governed by Board of Directors constituted as follows:

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2008**

**2. Summary of Significant Accounting Policies (Cont'd)**

**A. Financial Reporting Entity (Cont'd)**

8	Elected county officials - one per county
8	Elected city officials or delegates - one from the largest city of each county
8	Overall Economic Development Program committee members - one per county
8	Lay persons at large
<u>2</u>	Indian representatives
<u>34</u>	Total board members

The officers of the District are selected from the Board of Directors. The District is a governmental subdivision of the State of New Mexico and a body with all the powers of public or quasi-municipal corporation and these financial statements include all funds and activities over which the District officers have oversight responsibility. The officers of the District have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District is not included in any other governmental reporting entity as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. The District does not have any component units.

**B. Basic Financial Statements - Government-Wide Statements**

The District's basic financial statements include both government-wide (based on the District as a whole) and fund financial statements and report information on all non-fiduciary activities. The new reporting model focus is on either the District as a whole or major individual funds (within the fund financial statements). The District is a multiple-program government that engages in both governmental and business-type activities and has no component units. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type activities. In the government-wide Statements of Net Assets, both the governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, restricted net assets and unrestricted net assets.

Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Activities reports both the gross and net cost of the District's functions. The functions are also supported by general revenues (primarily interest on cash deposits). The Statement of Activities reduces gross expense (including depreciation) by related program revenues, charges for services and operating grants and contributions. Program revenues must be directly associated with the function. The District includes only two functions: community welfare and economic development.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major funds in the governmental fund category.

The governmental fund statements are presented on a current financial resources measurement focus and the modified accrual basis of accounting. This presentation is deemed more appropriate to

STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
Notes to Financial Statements  
June 30, 2008

2. **Summary of Significant Accounting Policies (Cont'd)**

**B. Basic Financial Statements - Government-Wide Statements (Cont'd)**

demonstrate legal compliance, to demonstrate the source and use of liquid resources and to demonstrate how the District's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental-wide presentation.

The proprietary fund statements (enterprise funds) are presented on the full accrual, economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets and receivables. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Proprietary fund equity is classified as net assets.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District first uses restricted resources then unrestricted resources.

**C. Basic Financial Statements - Fund Financial Statements**

The financial transactions of the District are reported on the basis of funds in the fund financial statements. The operations of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District uses the following fund types:

**GOVERNMENTAL FUND TYPES**

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is reported by a generic fund type classification within the financial statements known as governmental funds.

**Special Revenue Funds** - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds are also reported by a generic type classification known as governmental funds.

**PROPRIETARY FUNDS**

**Enterprise Funds** - The Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.



STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
Notes to Financial Statements  
June 30, 2008

2. **Summary of Significant Accounting Policies (Cont'd)**

C. **Basic Financial Statements - Fund Financial Statements (Cont'd)**

**PROPRIETARY FUNDS (Cont'd)**

GASB Statement No. 34 eliminated the presentation of account groups, but provides for these records to be maintained and incorporates the information into the government-wide Statement of Net Assets.

The funds are further classified as major or nonmajor, with emphasis placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the General fund of the District or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

All funds have been administratively established by the Board of Directors to account for the sources and uses of specific operating grants or where the Board has decided that establishment for a separate fund is necessary for accountability.

**MAJOR FUNDS**

**General Fund**

**Special Revenue Funds**

***Area Agency on Aging PSA Fund*** - Accounts for revenues and expenditures associated with a grant agreement with the New Mexico State Agency on Aging funded by the Older Americans Act, Title III B, III C, IIID and III E and the General Appropriations Act (House Bill 2). The counties served by PSA are: San Juan, Rio Arriba, Taos, Colfax, McKinley, Sandoval, Los Alamos, Santa Fe, San Miguel, Cibola, Valencia and Torrance, Catron, Socorro, Hidalgo, Grant, Sierra, Luna, Dona Ana and Otero.

**Proprietary Funds**

***Economic Development Administration Revolving Loan Fund*** - Accounts for activities initially capitalized by a grant from the U. S. Department of Commerce and 25% matching funds. The fund was originally established in 1983 and is currently in its revolving phase. Loans are made to eligible borrowers to stimulate economic development. The principal and a portion of the interest on loan payments must remain intact and be used to recapitalize the fund for future loans.

STATE OF NEW MEXICO  
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Notes to Financial Statements  
June 30, 2008

2. Summary of Significant Accounting Policies (Cont'd)

C. **Basic Financial Statements - Fund Financial Statements (Cont'd)**

**Proprietary Funds (Cont'd)**

***Tri-County Revolving Loan Fund*** - Accounts for activities initially capitalized by a grant from the U. S. Department of Energy. The purpose of the grant was to stimulate economic development in Los Alamos, Rio Arriba and Santa Fe counties as a result of workforce displacement at Los Alamos National Laboratory. The restrictions associated with the grant expired in May 1999, however, it is the Board's intention to maintain the fund for economic development.

**NONMAJOR FUNDS**

**Special Revenue Funds**

***Medicaid Personal Care Fund*** - Accounts for services provided and funds received under agreement with the New Mexico Human Services Department.

***State Grant-in-Aid Fund*** - Created under Section 4-58-4, et. Seq., NMSA, 1978 Compilation. The purpose of the fund is to account for grant monies to assist units of local governments in development and implementation of regional economic development programs.

***Economic Development Administration Planning Fund*** - Accounts for EDA grant funds used to implement an economic development program designed to encourage new employment opportunities and to foster a stable and diversified local economy. Funded by Section 301(b) of the Public Works and Economic Development Act of 1985, as amended.

***San Miguel County Planning Funds*** - Accounts for the activities associated with a grant from San Miguel County.

***NPRPO Transportation Planning*** - accounts for activities associated with a grant from the New Mexico State Highway Department for the Northern Pueblos Regional Planning Organization for planning.

***Ohkay Owingeh*** - accounts for a contract with Ohkay Owingeh to administer the Pueblo's current Economic Development Administration construction grant.

***Chimayo Mutual Domestic Planning*** - accounts for activities associated with funding for the Greater Chimayo Mutual Domestic Water Consumers Association for planning.

***NewMARC Planning*** - accounts for contributions from the seven counties of government in New Mexico to a voluntary association, the NM Association of Regional Councils. NewMARC provides training and educational opportunities for its members.

***Economic Development Administration RLF Administration Fund*** - Accounts for the cost of administering the Economic Development Administration Revolving Loan Fund. Under the terms of the agreement with the U. S. Department of Commerce, a portion of the interest earned on loans is to be used for the administration of the fund.

***Tri-County RLF Administration Fund*** - Accounts for the cost of administering the Tri-County Revolving Loan Fund.

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**Notes to Financial Statements**  
**June 30, 2008**

**2. Summary of Significant Accounting Policies (Cont'd)**

**C. Basic Financial Statements - Fund Financial Statements (Cont'd)**

***NERPO Planning*** - Accounts for activities associated with a grant from the New Mexico State Highway Department for the Northeast Regional Planning Organization for planning.

***EMNRD Planning*** - Accounts for activities associated with a grant from the New Mexico Energy, Minerals and Natural Resources Department for planning.

***Kellogg-EBSI Planning*** - Accounts for activities associated with a private grant from the W.K. Kellogg Foundation for the Empowering Northern New Mexico Spirit Initiative (EBS) for support and training.

***McCune Foundation*** - Accounts for activities associated with a grant from the McCune Foundation.

***Regional Development Corporation*** - Accounts for activities associated with a purpose of developing a 25 year strategic economic development plan for Los Alamos, Santa Fe, Rio Arriba and Taos counties and associated municipalities and tribes.

**D. Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**Accrual** - The government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**Modified Accrual** - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (normally sixty days). Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

**E. Encumbrances**

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to preserve that portion of the applicable appropriation, in not employed by the District.

**F. Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2008**

**2. Summary of Significant Accounting Policies (Cont'd)**

**G. Financial Statement Amounts**

**1. Cash on Deposit**

The District considers highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash consists of petty cash and cash on deposit with banks.

**2. Accrued Revenue**

Various reimbursement procedures are used for Federal, State and Local awards received by the District. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year end represent amounts expended during the fiscal year that are related to grant programs, however, the reimbursement for the expenditure was not received prior to the end of the fiscal year.

**3. Interfund Receivables and Payables**

To improve efficiency and physical control, the District maintains a pooled cash account for all governmental funds with each fund having an interest in the pooled cash account and reporting its interest in its balance sheet. Funds that have overdrawn their share of the pooled cash account report an interfund liability to the General Fund (the fund that management has deemed to have "loaned" the cash to the overdrawn fund). The General Fund reports a receivable from the overdrawn fund. Interfund balances are expected to be repaid within one year from the date of the financial statements of June 30, 2008.

**4. Loans Receivable and Allowance for Loan Losses**

The District administers various revolving loan funds. The funds were initially capitalized through grants from other governmental entities. The grants provide capital for loan pools which finance business development activities consistent with local economic development strategies. Loan repayments, plus interest and other related income, create a revolving source of capital to finance other business enterprises.

Loans are stated at unpaid principal balances. Interest income generally is not recognized on specific impaired loans unless the likelihood of further loss is remote. Interest income on impaired loans is recognized only to the extent of interest payments received. Loans are secured by various assets pledged by the borrower.

The allowance for loan losses is maintained at a level which, in management's judgement, is adequate to absorb credit losses inherent in the loans. The amount of the allowance is based on management's evaluation of the collectibility of the loans, including the nature of the loans, credit concentrations, trends in historical loss experience, specific impaired loans, economic conditions and other risks inherent in the loans. Although management uses available information to recognize losses on loans, because of uncertainties associated with local economic conditions, collateral values, and future cash flows, it is reasonably possible that a material change could occur in the allowance for loan losses in the near future. However, the amount of the change that is reasonably possible cannot be estimated. The allowance is increased by a provision for loan losses or reduced by loan loss recoveries, which is charged to expense or credited to income and reduced by charge-offs, net of recoveries. Changes in the allowance are charged to the provision for loan losses or credited to loan loss recoveries.

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**Notes to Financial Statements**  
**June 30, 2008**

**2. Summary of Significant Accounting Policies (Cont'd)**

**G. Financial Statement Amounts**

**5. Capital Assets**

Capital assets of the District include data processing equipment, furniture and fixtures, equipment and automobiles. The District does not have any infrastructure. Capital assets are defined in Section 12-6-10 NMSA 1978. Section 12-6-10 NMSA 1978, was amended effective June 19, 2005, changing the capitalization threshold of movable chattels and equipment from items costing more than \$1,000 to items costing more than \$5,000. The District has adopted this change in an accounting estimate, per Accounting Principles Board (APB) 20. Old inventory items that do not meet the new capitalization threshold will remain on the inventory list and continue to be depreciated. Any items received after July 1, 2005, will be added to the inventory only if they meet the new capitalization policy. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Computer software which is purchased with data processing computer equipment is included as part of the capitalized computer equipment in accordance with 2.20.I.9 C (5) The cost of maintenance and repairs that do not add to the asset value or materially extend assets lives are not capitalized. The District does not undertake major capital projects involving interest costs during the construction phase. There is no debt related to the capital assets. Capital assets of the District are depreciated using zero salvage value and the straight-line method over the following estimated useful lives:

Depreciation on all exhaustible capital assets is provided on the straight-line basis with no salvage value. The estimated useful life for capital assets is as follows:

Office equipment - 3 years

Vehicles - 5 years

Office furniture - 7 years

GASB Statement No. 34 requires the District to report and depreciate infrastructure assets. Infrastructure assets include roads, bridges, underground pipe, traffic signals, etc. The District does not own any infrastructure assets.

**6. Due to Grantees**

The District manages programs for the elderly under contract with the New Mexico State Agency on Aging pursuant to the Older Americans Act. The District contracts with local governments and not-for-profit organizations to provide services for the elderly. Amounts due to those providers are services rendered prior to year-end are recorded as due to grantees.

**7. Deferred Revenue/Advances**

In accordance with GASB Statement No. 33, most governmental grants are considered voluntary nonexchange transactions. Accordingly, revenues are recognized when allowable costs have been incurred and any other eligibility requirements have been met. Amounts provided in advance of requirements being met are presented as deferred revenues. The grants stipulate that any grant funds which are advanced and not expended by the expiration of the grant must be returned to the U. S. Treasury. The District does not anticipate any funds being returned to the grantors.

**8. Compensated Absences**

Employees are entitled to accumulate annual leave at a rate of three to four weeks per year depending on their tenure. A maximum of 240 hours of annual leave may be accrued. When employees terminate, they are compensated at their current hourly rate for accumulated unpaid annual leave as of the date of termination.

STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
Notes to Financial Statements  
June 30, 2008

2. **Summary of Significant Accounting Policies (Cont'd)**

G. **Financial Statement Amounts (Cont'd)**

Employees are entitled to accumulate sick leave at a rate of eight hours per month. There is no limit to the amount of sick leave that an employee may accumulate. Employees may trade in sick leave for annual leave at a rate of four hours of sick leave for one hour of annual leave.

The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources in accordance with GASB Interpretation No. 6 *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

9. **Equity Classifications**

***Government-Wide Statements***

Equity is classified as net assets. Net assets is the difference between assets and liabilities. Net assets invested in capital assets represents the historical cost of assets or fair value on date of receipt less accumulated depreciation on those assets. Net assets are reported as restricted when there are legal litigations imposed on their use by the District or external restrictions by other governments, creditors or grantors. Unrestricted net assets are all other net assets that do not meet the definition of "restricted" or "invested in capital assets".

***Fund Statements***

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserve for fixed asset acquisitions represents amounts that the Board of Directors has set aside for fixed asset acquisitions. Reserve for compensated absences payable represents amounts that the Board of Directors has set aside to fund that liability. Unreserved fund balance represents funds that are available for expenditure in future years.

Proprietary fund equity is classified in the same manner as in the government-wide financial statements.

10. **Revenues and Expenditures**

Substantially all governmental fund revenues are accrued. Program revenues consist principally of Federal operating and State grants that are restricted to expenditure for a particular purpose. Proprietary fund program revenues consist principally of interest on loans receivable and are recognized when earned, except for interest on impaired loans which is recognized when received.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. Non-operating revenues are all other revenues. For the District, non-operating revenues include interest income.

Expenditures are recognized when the related fund liability is incurred.

3. **Stewardship, Compliance and Accountability**

By its nature as a government unit, the District is subject to various laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows:

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
Notes to Financial Statements  
June 30, 2008**

**3. Stewardship, Compliance and Accountability (Cont'd)**

**A. Budgets and Budgetary Accounting**

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

1. A proposed operating budget is prepared prior to May 1 by the district's fiscal officers. The budget request includes proposed expenditures and the means of financing them through Federal and State grants and membership assessments.
2. A proposed budget is presented to the Executive Committee for review in its June meeting and subsequently approved by the Board of Directors. The Board of Directors must approve all subsequent budget transfers and increases. The budget was amended during the year. The legal level of budgetary control is by fund. In addition, budgetary control is also exercised at the grant level by program.
3. The General and Special Revenue funds operating budgets for the District are adopted on a basis consistent with accounting principles generally accepted in the United States of America, with the exception that prior cash budgeted is treated as a revenue source in the accompanying budgetary comparison statements. The District does not utilize an encumbrance system and appropriations do not lapse at year-end. No budgets are adopted for proprietary funds.

**4. Detail Notes on Accounts and Transaction Classes**

**A. Cash on Deposit**

Cash deposits are reported at carrying amount which reasonable estimates fair value. At year-end, the carrying amounts of bank accounts and bank balances were as follows:

	<u>Account Type</u>	<u>Balance per Depository</u>	<u>Reconciling Items</u>	<u>Balance Per Financial Statements</u>
<b>Los Alamos Bank:</b>				
General operating account	Demand	\$1,521,804	(\$925,572)	\$596,232
EDA RLF account	Demand	275,240	-	275,240
TC RLF account	Demand	195,150	-	195,150
Total		\$1,992,194	(\$925,572)	1,066,622
Petty cash				650.
Total per government-wide and fund financial statements				\$1,067,272

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
Notes to Financial Statements  
June 30, 2008**

**4. Detail Notes on Accounts and Transaction Classes (Cont'd)**

**A. Cash on Deposit (Cont'd)**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government's deposit policy for custodial credit risk is as follows:

Bank accounts are insured by the FDIC up to \$100,000, per bank, per type of account. In general, State statute require that banks pledge collateral equal to one half of the deposit balance in excess FDIC insurance limits. Accounts are in one financial institution as listed above. As of June 30, 2008, \$1,892,194 of the District's bank balances of \$1,992,194 is exposed to custodial credit risk as follows:

<u>Custodial Credit Risk</u>	<u>Bank Balance</u>
Fully insured (FDIC)	\$ 100,000
Collateralized with securities held by pledging financial institutions trust department or agent	<u>1,892,194</u>
	<u>\$ 1,992,194</u>

The following schedule presents cash on deposit with various banks and the collateral pledged by each institution in accordance with Section 6-10-16, NMSA, 1978 compilation:

<u>Century Bank:</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Total deposits per bank	\$ 1,992,194	\$ 1,066,622
Less deposits covered by FDIC	<u>(100,000)</u>	<u>(100,000)</u>
Total	<u>\$ 1,892,194</u>	<u>\$ 966,622</u>
50% collateral requirement	\$ 946,097	\$ 483,311
Pledged collateral	<u>2,500,000</u>	<u>2,500,000</u>
Over (under) requirement	<u>\$ 1,553,903</u>	<u>\$ 2,016,689</u>

Pledged security consists of the following items and is held by the Federal Home Loan Bank of Dallas, 8500 Freeport Parkway South, Suite 100, Irving TX 75063-2547:

<u>Description</u>	<u>Par</u>	<u>Lower of Par of Market Value</u>
76171EJ6FFCB FHLB Letter of Credit Fixed Rate Note, 8/1/2011	\$2,500,000	\$2,500,000



**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2008**

**4. Detail Notes on Accounts and Transaction Classes (Cont'd)**

**B. Accrued Revenue**

Amounts are due from granting authorities as follows:

New Mexico Agency on Aging	\$ 1,021,570
NM Energy, Minerals and Natural Resources	46,872
San Miguel County, New Mexico	5,747
Transportation Planning	11,422
EDA Planning	12,566
U. S. Department of Transportation-NERPO-Regional Planning	20,257
State Grant-in-Aid-Planning	31,188
Chimayo Mutual Domestic Planning	<u>16,958</u>
 Total	 <u>\$1,166,580</u>

**C. Loan Receivable and Allowance for Loan Losses**

Net loans receivable of business-type activities are comprised of economic development loans with average maturities of seven years. Net loans receivable are comprised of the following amounts:

	<u>EDA RLF</u>	<u>TC RLF</u>	<u>Total</u>
Loans receivable-beginning	\$ 697,800	\$ 565,401	\$ 1,263,201
Plus: loans originated	-	-	-
Less: Loans repaid (canceled)	<u>(139,800)</u>	<u>(98,160)</u>	<u>(237,960)</u>
Loans receivable-ending	<u>558,000</u>	<u>467,241</u>	<u>1,025,241</u>
Allowance for loan losses-beginning	69,780	56,540	126,320
Plus: Provision for loan losses	-	-	-
Less: Loan loss recoveries	<u>(15,551)</u>	<u>(9,816)</u>	<u>(25,367)</u>
Allowance for loan losses-end	<u>54,229</u>	<u>46,724</u>	<u>100,953</u>
Net loans receivable	<u>\$ 503,771</u>	<u>\$ 420,517</u>	<u>\$ 924,288</u>

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2008**

**4. Detail Notes on Accounts and Transaction Classes (Cont'd)**

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2008 was as follows:

	Audit Balance July 1, 2007	Adjust- ments	Adjusted Balance July 1, 2007	Increases	(Decreases)	Balance June 30, 2008
Governmental activities:						
Furniture and equipment	\$ 155,851	\$ -	\$ 155,851	\$ 33,427	\$ (36,144)	\$ 153,134
Leasehold improvements	9,371	-	9,371	-	-	9,371
Vehicles	180,117	-	180,117	56,225	(22,556)	213,786
Total capital assets	<u>345,339</u>	<u>-</u>	<u>345,339</u>	<u>89,652</u>	<u>(58,700)</u>	<u>376,291</u>
Less accumulated depreciation:						
Furniture and equipment	114,317	(2,383)	111,934	25,504	(36,135)	101,303
Leasehold improvements	2,678	-	2,678	1,339	-	4,017
Vehicles	105,852	1,660	107,512	51,176	(22,566)	136,122
Total accumulated depreciation	<u>222,847</u>	<u>(723)</u>	<u>222,124</u>	<u>78,019</u>	<u>(58,701)</u>	<u>241,442</u>
Net capital assets						
Furniture and equipment	41,534	2,383	43,917	7,923	(9)	51,831
Leasehold improvements	6,693	-	6,693	(1,339)	-	5,354
Vehicles	74,265	(1,660)	72,605	5,049	10	77,664
Net capital assets	<u>\$ 122,492</u>	<u>\$ 723</u>	<u>\$ 123,215</u>	<u>\$ 11,633</u>	<u>\$ 1</u>	<u>\$ 134,849</u>

The District does not have any debt related to capital assets.

Depreciation expense of \$54,513 was charged and is included in the Community Welfare expense function of the governmental activities in the Statement of Activities, Exhibit B. Accumulated depreciation associated with capital assets contributed to the District was \$23,503.

**E. Long-Term Liabilities**

Long-term liability activity of the governmental activities for the year ended June 30, 2008, was as follows:

	Adjusted Balance July 1, 2007	Increase	Decrease	Balance June 30, 2008
Compensated absences payable	<u>\$80,499</u>	<u>\$ 95,264</u>	<u>\$(92,184)</u>	<u>\$83,579</u>

Management estimates that the amount payable within one year will be approximately \$64,816. In prior years the general fund has been used to liquidate compensated absences.

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Notes to Financial Statements  
June 30, 2008**

**4. Detail Notes on Accounts and Transaction Classes (Cont'd)**

**F. Lease Commitments**

The District leases office space in Santa Fe, Taos, and Deming, NM. There are no future minimum rentals under the lease. Lease expenditures for the year ended June 30, 2008, amount to \$49,351.

**G. Due To/From Other Funds**

The following amounts are due to/from other funds.

	<u>Due To General Fund</u>	<u>Due From Other Funds</u>
General Fund	\$117,132	\$ -
State Grant-in-Aid		29,834
EDA Planning	-	12,566
Planning and Tech. Assistance-San Miguel County Special Revenue Fund	-	5,747
Planning and Tech. Assistance-NPRPO-Transportation	-	11,200
Planning and Tech. Assistance-Chimayo Mutual Domestic Special Revenue Fund	-	16,782
Planning and Tech Assistance-NERPO Planning Special Revenue Fund	-	19,639
Planning and Tech Assistance-EMNRS Planning Special Revenue Fund	-	21,364
	<u>\$117,132</u>	<u>\$117,132</u>

See Note 2.G.3 regarding the purpose of interfund balances. The interfund balances have been eliminated in the government-wide financial statements.

**H. Interfund Transfers**

Operating transfers are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Governmental activities:</b>		
General Fund	\$ -	\$ 96,430
General Fund-Office Building Reserve	75,000	-
Economic Development Admin. Planning Fund	21,430	-
EDA RLF Administration Fund	19,511	-
TC RLF Administration Fund	7,779	-
<b>Business-type activities:</b>		
Economic Development Admin. RLF	-	19,511
Tri-County RLF	-	7,779
	<u>\$123,720</u>	<u>\$123,720</u>

Interfund transfers are used to provide matching funds on grants or to transfer funds from the fund required to receive resources to the fund that budgets expenditure of resources. Interfund transfers have been eliminated in the government-wide financial statements except for the residual transfers between governmental activities and business-type activities.

STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
Notes to Financial Statements  
June 30, 2008

4. **Detail Notes on Accounts and Transaction Classes (Cont'd)**

I. **Short-Term Debt**

The District had no short-term debt activity during the year.

5. **Pension Plan - Public Employees Retirement Association**

**Plan Description.** Substantially all of the Board'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](http://www.pera.state.nm.us).

**Funding Policy.** Plan members are required to contribute 7.42% of their gross salary. The District is required to contribute 16.59% of the gross covered salary. The contribution requirements of plan members and the District's are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Office's contributions to PERA for the fiscal years ending June 30, 2008, 2007 and 2006 were \$191,243, \$172,315, and \$107,493, respectively, which equal the amount of the required contributions for each fiscal year.

6. **Post Employment Benefits - State Retiree Health Care Plan**

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

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

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

**Funding Policy.** The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2008**

**6. Post Employment Benefits - State Retiree Health Care Plan (Cont'd)**

participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

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

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

The District's contributions to the RHCA for the years ended June 30, 2008, 2007, and 2006 were \$14,750, \$13,409, and \$8,357, respectively, which equal the required contributions for each year.

**7. Risk Management**

The District obtains coverage through Risk Management Division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance and state unemployment. These coverages are designed to satisfy the requirements of the State Tort Claims Act. All employees of the District are covered by blanket fidelity bond up to \$5,000,000 with a \$1,000 deductible per occurrence by the State of New Mexico for the period July 1, 2005, through June 30, 2008. The District paid \$28,104 to the RMD in insurance premiums for the 2007-2008 fiscal year.

**8. Contingencies**

The District receives funding pursuant to various grant programs. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant that, if not met, could require the District to refund amounts received in the granting agency. The District carefully monitors grant requirements and believes it has met all such conditions.

**9. Joint Powers Agreement**

The District was created by a joint powers agreement entered into on May 13, 1967, pursuant to the Joint Powers Agreement Act, between the District, the City of Santa Fe, and the following counties: Colfax, Taos, Rio Arriba, Sandoval, Los Alamos, San Miguel, Mora and Santa Fe.

The governing body of the district is its Board of Directors, which is made up of representatives of each county. The Board has thirty-four members.

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2008**

**9. Joint Powers Agreement**

The District was created for the following purposes:

1. To implement and carry out the provisions and spirit of the Public Works and Economic Development Act of 1965, Public Law 8-136, and all subsequently enacted Federal and State legislation related to these purposes.
2. To stimulate economic growth and orderly development through multi-county planning and investment, pooling of total resources and vigorous local leadership involvement.
3. To take a broad view of the area and the community development process, and establish a framework for lasting short-range and long-range economic expansion.
4. To prepare, adopt and extend a District "Overall Economic Development Program" (OEDP) as required for District formal designation.
5. To formulate, develop and administer the District OEDP and coordinate this activity among the member Counties and Municipalities.
6. To implement specific programs and projects as are considered essential and worth to the members of the District.
7. To carry out such research, planning and advisory functions as are necessary and helpful to the foregoing.

The agreement is perpetual or until dissolved by the Board of Directors with approval of the New Mexico State Board of Finance.

The District prepares an annual budget and keeps records of all transactions. All records are audited annually by proper authority.

**10. Prior-Period Adjustments to Net Assets/Fund Balance**

An adjustment to the Area Agency on Aging PSA Fund balance was required as a result of prior-year expense adjustment.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**COMBINING BALANCE SHEET - OTHER FUNDS**  
**Non-Major Governmental Funds**  
**June 30, 2008**

	<u>Medicaid Personal Care</u>	<u>State Grant-in- Aid</u>	<u>Economic Development Admin. Planning</u>	<u>San Miguel County Planning</u>	<u>NPRPO Transportation Planning</u>	<u>Sub-total</u>
<b><u>Assets</u></b>						
Cash on deposit	\$ 76,371	\$ -	\$ -	\$ -	\$ -	\$ 76,371
Due from grantors	-	31,188	12,566	5,747	11,422	60,923
Prepaid expenses	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ <u>76,371</u></b>	<b>\$ <u>31,188</u></b>	<b>\$ <u>12,566</u></b>	<b>\$ <u>5,747</u></b>	<b>\$ <u>11,422</u></b>	<b>\$ <u>137,294</u></b>
<b><u>Liabilities and Fund Equity</u></b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 951	\$ -	\$ -	\$ 150	\$ 1,101
Payroll taxes payable	-	403	-	-	72	475
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	29,834	12,566	5,747	11,200	59,347
Assets held for others	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b><u>31,188</u></b>	<b><u>12,566</u></b>	<b><u>5,747</u></b>	<b><u>11,422</u></b>	<b><u>60,923</u></b>
<b>Fund Equity:</b>						
<b>Fund balance:</b>						
Unreserved, undesignated	<u>76,371</u>	-	-	-	-	<u>76,371</u>
<b>Total fund equity</b>	<b><u>76,371</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b><u>76,371</u></b>
<b>Total liabilities and fund equity</b>	<b>\$ <u>76,371</u></b>	<b>\$ <u>31,188</u></b>	<b>\$ <u>12,566</u></b>	<b>\$ <u>5,747</u></b>	<b>\$ <u>11,422</u></b>	<b>\$ <u>137,294</u></b>

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



STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
COMBINING BALANCE SHEET - OTHER FUNDS  
Non -Major Governmental Funds  
June 30, 2008

	Ohkay Planning	Chimayo Mutual Domestic Planning	New Marc Planning	EDA-RLF Admin.	TC-RLF Admin.	Sub-total
<b><u>Assets</u></b>						
Cash on deposit	\$ 4,187	\$ -	\$ 9,371	\$ 8,678	\$ 1,623	\$ 100,230
Due from grantors	-	16,958	-	-	-	77,881
Prepaid expenses	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 4,187</b>	<b>\$ 16,958</b>	<b>\$ 9,371</b>	<b>\$ 8,678</b>	<b>\$ 1,623</b>	<b>\$ 178,111</b>
<b><u>Liabilities and Fund Equity</u></b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 145	\$ -	\$ 1,772	\$ -	\$ 3,018
Payroll taxes payable	-	21	-	-	-	496
Deferred revenue	4,187	-	9,371	-	-	13,558
Due to other funds	-	16,782	-	-	-	76,129
Assets held for others	-	-	-	-	1,192	1,192
<b>Total liabilities</b>	<b>4,187</b>	<b>16,948</b>	<b>9,371</b>	<b>1,772</b>	<b>1,192</b>	<b>94,393</b>
<b>Fund Equity:</b>						
<b>Fund balance:</b>						
Unreserved, undesignated	-	10	-	6,906	431	83,718
<b>Total fund equity</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>6,906</b>	<b>431</b>	<b>83,718</b>
<b>Total liabilities and fund equity</b>	<b>\$ 4,187</b>	<b>\$ 16,958</b>	<b>\$ 9,371</b>	<b>\$ 8,678</b>	<b>\$ 1,623</b>	<b>\$ 178,111</b>

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**COMBINING BALANCE SHEET - OTHER FUNDS**  
**Non -Major Governmental Funds**  
**June 30, 2008**

	<u>NERPO Planning</u>	<u>EMNRS Planning</u>	<u>Kellogg-EBSI Planning</u>	<u>McCune Foundation</u>	<u>Regional Development Corporation</u>	<u>Total</u>
<b><u>Assets</u></b>						
Cash on deposit	\$ -	\$ -	\$ 709	\$ 15,676	\$ 12,780	\$ 129,395
Due from grantors	20,257	46,872	-	-	-	145,010
Prepaid expenses	-	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 20,257</u></b>	<b><u>\$ 46,872</u></b>	<b><u>\$ 709</u></b>	<b><u>\$ 15,676</u></b>	<b><u>\$ 12,780</u></b>	<b><u>\$ 274,405</u></b>
<b><u>Liabilities and Fund Equity</u></b>						
<b>Liabilities:</b>						
Accounts payable	\$ 499	\$ 25,085	\$ -	\$ -	\$ -	\$ 28,602
Payroll taxes payable	119	423	-	-	3	1,041
Deferred revenue	-	-	709	-	12,777	27,044
Due to other funds	19,639	21,364	-	-	-	117,132
Assets held for others	-	-	-	-	-	1,192
<b>Total liabilities</b>	<b><u>20,257</u></b>	<b><u>46,872</u></b>	<b><u>709</u></b>	<b><u>-</u></b>	<b><u>12,780</u></b>	<b><u>175,011</u></b>
<b>Fund Equity:</b>						
<b>Fund balance:</b>						
Unreserved, undesignated	-	-	-	15,676	-	99,394
<b>Total fund equity</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>15,676</u></b>	<b><u>-</u></b>	<b><u>99,394</u></b>
<b>Total liabilities and fund equity</b>	<b><u>\$ 20,257</u></b>	<b><u>\$ 46,872</u></b>	<b><u>\$ 709</u></b>	<b><u>\$ 15,676</u></b>	<b><u>\$ 12,780</u></b>	<b><u>\$ 274,405</u></b>

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

STATE OF NEW MEXICO  
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - OTHER FUNDS  
 Non-Major Governmental Funds  
 For the Year Ended June 30, 2008

	Medicaid Personal Care	State Grant-in- Aid	Economic Development Admin. Planning	San Miguel County Planning	NPRPO Transportation Planning	Sub-total
<b>REVENUES</b>						
Federal operating grants	\$ -	\$ -	\$ 59,134	\$ -	\$ 62,894	\$ 122,028
State operating grants and contracts	-	124,750	-	-	-	124,750
Local and private grants and contributions	-	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>124,750</u>	<u>59,134</u>	<u>-</u>	<u>62,894</u>	<u>246,778</u>
<b>EXPENDITURES</b>						
Community welfare:						
Health and welfare	-	-	-	-	-	-
Administration	8,061	124,750	95,112	-	61,978	289,901
Capital outlay	-	-	-	-	916	916
<b>Total expenditures</b>	<u>8,061</u>	<u>124,750</u>	<u>95,112</u>	<u>-</u>	<u>62,894</u>	<u>290,817</u>
Excess (deficiency) of revenue over expenditures	<u>(8,061)</u>	<u>-</u>	<u>(35,978)</u>	<u>-</u>	<u>-</u>	<u>(44,039)</u>
Other financing sources (uses)						
Operating transfers in (out)	-	-	21,430	-	-	21,430
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>21,430</u>	<u>-</u>	<u>-</u>	<u>21,430</u>
<b>Net change in fund balance</b>	<u>(8,061)</u>	<u>-</u>	<u>(14,548)</u>	<u>-</u>	<u>-</u>	<u>(22,609)</u>
Fund balance - beginning	<u>84,432</u>	<u>-</u>	<u>14,548</u>	<u>-</u>	<u>-</u>	<u>98,980</u>
Fund balance - ending	<u>\$ 76,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,371</u>

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - OTHER FUNDS**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2008**

	<u>Ohkay Planning</u>	<u>Chimayo Mutual Domestic Planning</u>	<u>New Marc Planning</u>	<u>EDA-RLF Admin.</u>	<u>TC-RLF Admin.</u>	<u>Sub-total</u>
<b>REVENUES</b>						
Federal operating grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,028
State operating grants and contracts	-	-	-	-	-	124,750
Local and private grants and contributions	3,269	34,706	-	-	-	37,975
<b>Total revenues</b>	<u>3,269</u>	<u>34,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,753</u>
<b>EXPENDITURES</b>						
Community welfare:						
Health and welfare	-	-	-	-	-	-
Administration	3,269	34,696	-	17,754	19,229	364,849
Capital outlay	-	-	-	340	340	1,596
<b>Total expenditures</b>	<u>3,269</u>	<u>34,696</u>	<u>-</u>	<u>18,094</u>	<u>19,569</u>	<u>366,445</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>10</u>	<u>-</u>	<u>(18,094)</u>	<u>(19,569)</u>	<u>(81,692)</u>
Other financing sources (uses)						
Operating transfers in (out)	-	-	-	19,511	7,779	48,720
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,511</u>	<u>7,779</u>	<u>48,720</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>10</u>	<u>-</u>	<u>1,417</u>	<u>(11,790)</u>	<u>(32,972)</u>
Fund balance - beginning	-	-	-	5,489	12,221	116,690
<b>Fund balance - ending</b>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 6,906</u>	<u>\$ 431</u>	<u>\$ 83,718</u>

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - OTHER FUNDS**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2008**

	<u>NERPO Planning</u>	<u>EMNRD Planning</u>	<u>Kellogg-EBSI Planning</u>	<u>McCune Foundation</u>	<u>Regional Development Corporation</u>	<u>Total</u>
<b>REVENUES</b>						
Federal operating grants	\$ 71,973	\$ -	\$ -	\$ -	\$ -	\$ 194,001
State operating grants and contracts	-	96,306	-	-	-	221,056
Local and private grants and contributions	-	-	6,867	-	2,357	47,199
<b>Total revenues</b>	<u>71,973</u>	<u>96,306</u>	<u>6,867</u>	<u>-</u>	<u>2,357</u>	<u>462,256</u>
<b>EXPENDITURES</b>						
Community welfare:						
Health and welfare	-	-	-	-	-	-
Administration	71,058	96,306	6,867	14,324	2,357	555,761
Capital outlay	915	-	-	-	-	2,511
<b>Total expenditures</b>	<u>71,973</u>	<u>96,306</u>	<u>6,867</u>	<u>14,324</u>	<u>2,357</u>	<u>558,272</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,324)</u>	<u>-</u>	<u>(96,016)</u>
Other financing sources (uses)						
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,720</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,720</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,324)</u>	<u>-</u>	<u>(47,296)</u>
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>146,690</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,676</u>	<u>\$ -</u>	<u>\$ 99,394</u>

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**MEDICAID PERSONAL CARE (LTC)**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
State operating grants and contracts	\$ -	\$ -	\$ -	\$ -
Prior cash budgeted	<u>8,063</u>	<u>8,063</u>	<u>-</u>	<u>(8,063)</u>
Total revenues	<u>8,063</u>	<u>8,063</u>	<u>-</u>	<u>(8,063)</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	<u>8,063</u>	<u>8,063</u>	<u>8,061</u>	<u>2</u>
Total expenditures	<u>8,063</u>	<u>8,063</u>	<u>8,061</u>	<u>2</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(8,061)</u>	\$ <u>(8,061)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 8,061	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 8,061</u>	

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**STATE GRANT-IN-AID**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
State operating grants and contracts	\$ 124,750	\$ 124,750	\$ 124,750	\$ -
Total revenues	<u>124,750</u>	<u>124,750</u>	<u>124,750</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	<u>124,750</u>	<u>124,750</u>	<u>124,750</u>	<u>-</u>
Total expenditures	<u>124,750</u>	<u>124,750</u>	<u>124,750</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 124,750	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 124,750</u>	

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**ECONOMIC DEVELOPMENT ADMINISTRATION PLANNING**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Federal operating grants and contracts	\$ 59,134	\$ 59,134	\$ 59,134	\$ -
Operating transfers in	21,430	21,430	21,430	-
Prior cash budgeted	<u>14,548</u>	<u>14,548</u>	<u>-</u>	<u>(14,548)</u>
Total revenues	<u>95,112</u>	<u>95,112</u>	<u>80,564</u>	<u>(14,548)</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	<u>95,112</u>	<u>95,112</u>	<u>95,112</u>	<u>-</u>
Total expenditures	<u>95,112</u>	<u>95,112</u>	<u>95,112</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(14,548)</u>	\$ <u>(14,548)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 95,112	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 95,112</u>	

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



**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**NPRPO TRANSPORTATION PLANNING**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Federal operating grants	\$ 62,894	\$ 62,894	\$ 62,894	\$ -
Total revenues	<u>62,894</u>	<u>62,894</u>	<u>62,894</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	<u>62,894</u>	<u>62,894</u>	<u>62,894</u>	<u>-</u>
Total expenditures	<u>62,894</u>	<u>62,894</u>	<u>62,894</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 62,894	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 62,894</u>	

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**OHKAY - PLANNING**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Local and private grants and contracts	\$ 2,961	\$ 2,961	\$ 2,961	\$ -
Prior cash budgeted	<u>309</u>	<u>309</u>	<u>-</u>	<u>(309)</u>
Total revenues	<u>3,270</u>	<u>3,270</u>	<u>2,961</u>	<u>(309)</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Health and welfare	<u>3,270</u>	<u>3,270</u>	<u>3,269</u>	<u>1</u>
Total expenditures	<u>3,270</u>	<u>3,270</u>	<u>3,269</u>	<u>1</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(308)</u>	\$ <u>(308)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 3,269	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 3,269</u>	

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**DOH - PLANNING**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Local and private grants and contributions	\$ 34,696	\$ 34,696	\$ 34,706	\$ 10
Total revenues	<u>34,696</u>	<u>34,696</u>	<u>34,706</u>	<u>10</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Health and welfare	<u>34,696</u>	<u>34,696</u>	<u>34,696</u>	<u>-</u>
Total expenditures	<u>34,696</u>	<u>34,696</u>	<u>34,696</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10</u>	\$ <u>10</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 34,696	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 34,696</u>	

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**REGIONAL DEVELOPMENT CORPORATION**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Favorable</u>
	<u>Budget</u>	<u>Budget</u>	<u>Basis</u>	<u>(Unfavorable)</u>
<b>REVENUES:</b>				
Local and private grants and contracts	\$ 2,357	\$ 2,357	\$ 2,357	\$ -
Total revenues	<u>2,357</u>	<u>2,357</u>	<u>2,357</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	<u>2,357</u>	<u>2,357</u>	<u>2,357</u>	<u>-</u>
Total expenditures	<u>2,357</u>	<u>2,357</u>	<u>2,357</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 2,357	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 2,357</u>	

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**EDA - RLF ADMINISTRATION**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Operating transfers in	\$ 19,510	\$ 19,510	\$ 19,511	\$ 1
Total revenues	<u>19,510</u>	<u>19,510</u>	<u>19,511</u>	<u>1</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	18,094	18,094	18,094	-
Budgeted reserves	<u>1,416</u>	<u>1,416</u>	<u>-</u>	<u>1,416</u>
Total expenditures	<u>19,510</u>	<u>19,510</u>	<u>18,094</u>	<u>1,416</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,417</u>	\$ <u>1,417</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 18,094	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 18,094</u>	

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**TCR-RLF ADMINISTRATION**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Operating transfers in	\$ 7,779	\$ 7,779	\$ 7,779	\$ -
Prior-cash budgeted	<u>11,790</u>	<u>11,790</u>	<u>-</u>	<u>(11,790)</u>
Total revenues	<u>19,569</u>	<u>19,569</u>	<u>7,779</u>	<u>(11,790)</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	<u>19,569</u>	<u>19,569</u>	<u>19,569</u>	<u>-</u>
Total expenditures	<u>19,569</u>	<u>19,569</u>	<u>19,569</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(11,790)</u>	\$ <u>(11,790)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 19,569	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 19,569</u>	

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**NERPO PLANNING**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Federal operating grants	\$ 71,974	\$ 71,974	\$ 71,973	\$ (1)
Total revenues	<u>71,974</u>	<u>71,974</u>	<u>71,973</u>	<u>(1)</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	<u>71,974</u>	<u>71,974</u>	<u>71,973</u>	<u>1</u>
Total expenditures	<u>71,974</u>	<u>71,974</u>	<u>71,973</u>	<u>1</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 71,973	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 71,973</u>	

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**EMNRD PLANNING**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
State operating grants	\$ 96,307	\$ 96,307	\$ 96,306	\$ (1)
Total revenues	<u>96,307</u>	<u>96,307</u>	<u>96,306</u>	<u>(1)</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	<u>96,307</u>	<u>96,307</u>	<u>96,306</u>	<u>1</u>
Total expenditures	<u>96,307</u>	<u>96,307</u>	<u>96,306</u>	<u>1</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 96,306	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 96,306</u>	

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



**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**KELLOGG- EBSI PLANNING**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Local and private grants and contributions	\$ 736	\$ 736	\$ 735	\$ (1)
Prior cash budgeted	<u>6,134</u>	<u>6,134</u>	<u>-</u>	<u>(6,134)</u>
Total revenues	<u>6,870</u>	<u>6,870</u>	<u>735</u>	<u>(6,135)</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	<u>6,870</u>	<u>6,870</u>	<u>6,867</u>	<u>3</u>
Total expenditures	<u>6,870</u>	<u>6,870</u>	<u>6,867</u>	<u>3</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(6,132)</u>	\$ <u>(6,132)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 6,867	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 6,867</u>	

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

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Non-Major Governmental Funds**  
**McCUNE FOUNDATION**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Prior cash budgeted	\$ 14,325	\$ 14,325	\$ -	\$ (14,325)
Total revenues	<u>14,325</u>	<u>14,325</u>	<u>-</u>	<u>(14,325)</u>
<b>EXPENDITURES:</b>				
Community welfare:				
Administration	<u>14,325</u>	<u>14,325</u>	<u>14,324</u>	<u>1</u>
Total expenditures	<u>14,325</u>	<u>14,325</u>	<u>14,324</u>	<u>1</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(14,324)</u>	\$ <u>(14,324)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 14,324	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 14,324</u>	

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

**SUPPLEMENTAL SCHEDULES**

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**Schedule of Expenditure of Federal Awards**  
**For Year Ending June 30, 2008**

Federal Grantor/Pass Through Grantor/Program Title	Federal Catalog Domestic Assistance Number	Pass- Through Entity Identifying Number	Federal Expenditures	To Sub- recipients	For Admin- istration
U.S. Department of Commerce					
Economic Development - State and Local					
Economic Development Planning	11.302	N/A	\$ 59,134	\$ -	\$ -
Special Economic Development and Adjustment					
Assistance Program: Sudden and Severe					
Economic Dislocation and Long-Term Deterioration -					
EDA loans (MAJOR)	11.307	N/A	850,993	-	-
Total U.S. Department of Commerce			<u>910,127</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation					
NPRPO - Transportation-Regional Planning					
(Title 23, USC Sec. 135 and Title 49 USC Sec. 5313)	20.205	M00371	62,894	-	-
NERPO - Transportation-Regional Planning					
(Title 23, USC Sec. 135 and Title 49 USC Sec. 5313)	20.205	M00473/WA	71,973	-	-
Total U.S. Department of Transportation			<u>134,867</u>	<u>-</u>	<u>-</u>
U.S. Department of Health and Human Services					
New Mexico State Agency on Aging					
Title III, Part B - Supportive Services and					
Senior Centers (MAJOR)	93.044		1,338,810	1,224,789	114,021
Title III, Part C-1 - Nutrition Services (MAJOR)	93.045		1,600,604	1,456,096	144,508
Title III, Part C-2 - Nutrition Services (MAJOR)	93.045		694,169	656,343	37,826
Title III, Part D - Disease Prevention and					
Health Promotion (MAJOR)	93.043		95,941	95,941	-
Title III, Part E - National Family Caregiver					
Support (MAJOR)	93.052		637,391	573,658	63,733
Nutrition services Incentive Program (MAJOR)	93.053		1,455,509	1,455,509	-
Total U.S. Department of Health and Human Services			<u>5,822,424</u>	<u>5,462,336</u>	<u>360,088</u>
Total Expenditure of Federal Awards			<u>\$ 6,867,418</u>	<u>\$ 5,462,336</u>	<u>\$ 360,088</u>

The accompanying notes are an integral part of this schedule.

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
Notes to the Schedule of Expenditures of Federal Awards  
June 30, 2008**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Northern Central New Mexico Economic Development District (the District) and is presented on the accrual basis of accounting, except that loans outstanding at the beginning of the period and loans made during the period are presented as expenditures. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of states, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of the basic financial statements.

**2. Loans Outstanding**

The District had the following loan balances outstanding at June 30, 2008. The loan balances were initially funded with Federal funds at the rate of 75%. These loan balances outstanding are also included in the federal expenditures presented in this schedule.

<u>Cluster/Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Special Economic Development and Adjustment Assistance Program: Sudden and Severe Economic Dislocation and Long-Term Economic Deterioration	11.307	\$ 850,993

**3. Subrecipients**

<u>Cluster/Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Special Programs for the Aging:		
Title III, Part B - Supportive Services and Senior Centers	93.044	\$1,338,810
Title III, Part C - Nutrition Services	93.045	2,294,773
Title III, Part D - Disease Prevention and Health Promotion	93.043	95,941
Title III, Part E - National Family Caregiver Support	93.052	637,391
Nutrition Services Incentive Program	93.053	<u>1,455,509</u>
		<u>\$5,822,424</u>

**4. Reconciliation of Schedule to Basic Financial Statements**

Expenditures per Schedule of Expenditures of Federal Awards	\$6,867,418
Less: Loans at end of year, cash balances and administrative expenditures	<u>(850,993)</u>
 Federal revenues per the Fund Financial Statements	 <u>\$6,016,425</u>

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**COMBINING BALANCE SHEET - BY PROGRAM**  
**State of New Mexico Agency on Aging - PSA**  
**June 30, 2008**

	02-100 State Funds HB2	02-110 Senior Employ Pro	02-111 SEP/ Enrollee	02-201 Title III-B	02-202 Title C-1	02-203 Title C-2	02-204 Title III-D	02-205 Title III-E	02-210 Cash in Lieu NSIP	Sub- Total
<b>ASSETS</b>										
Cash	\$7,863	-	8	\$59,013	\$73,626	-	\$9,567	\$96,954	\$28,228	\$275,259
Due from grantors	542,671	164,854	-	27,908	-	33,424	5,223	29,867	84,971	888,918
Due from other programs	194,784	-	-	-	-	-	-	-	-	194,784
<b>Total Assets</b>	<b>\$745,318</b>	<b>\$164,854</b>	<b>\$8</b>	<b>\$86,921</b>	<b>\$73,626</b>	<b>\$33,424</b>	<b>\$14,790</b>	<b>\$126,821</b>	<b>\$113,199</b>	<b>\$1,358,961</b>
<b>LIABILITIES AND FUND BALANCE</b>										
<b>Liabilities:</b>										
Payroll taxes payable	-	8	8	-	-	-	-	-	-	\$16
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Accounts payable	745,318	93,920	-	86,921	73,224	24,636	14,790	126,821	113,195	1,278,825
Due to other programs	-	67,928	-	-	-	8,788	-	-	-	76,716
Other liabilities	-	-	-	-	-	-	-	-	-	-
Due to State of New Mexico	-	2,998	-	-	402	-	-	-	4	\$3,404
<b>Total Liabilities</b>	<b>745,318</b>	<b>164,854</b>	<b>8</b>	<b>86,921</b>	<b>73,626</b>	<b>33,424</b>	<b>14,790</b>	<b>126,821</b>	<b>113,199</b>	<b>1,358,961</b>
<b>Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$745,318</b>	<b>\$164,854</b>	<b>\$8</b>	<b>\$86,921</b>	<b>\$73,626</b>	<b>\$33,424</b>	<b>\$14,790</b>	<b>\$126,821</b>	<b>\$113,199</b>	<b>\$1,358,961</b>

	02-501 PSA Adminis.	02-502 PSA Adm-ADDG	02-504 PSA Cap Out	02-505 PSA Cap Out-Com	02-506 PSA Alliance	02-507 PSA Dir. Sr.	02-508 PSA N4AAA	03-100 State Funds HB2	Sub- Total	Total
<b>ASSETS</b>										
Cash	\$35,735	-	\$1,580	-	\$1,476	-	-	\$320	39,111	\$314,370
Due from grantors	1,220	12,860	(1,389)	116,586	-	-	3,375	-	132,652	1,021,570
Due from other funds	-	-	-	-	-	-	-	-	-	194,784
<b>Total Assets</b>	<b>\$36,955</b>	<b>\$12,860</b>	<b>\$191</b>	<b>\$116,586</b>	<b>\$1,476</b>	<b>-</b>	<b>\$3,375</b>	<b>\$320</b>	<b>\$171,763</b>	<b>\$1,530,724</b>
<b>LIABILITIES AND FUND BALANCE</b>										
<b>Liabilities:</b>										
Payroll taxes payable	\$97	\$1,519	-	-	-	-	-	-	\$1,616	\$1,632
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Accounts payable	34,858	2,572	-	10,282	-	-	-	-	47,712	1,326,537
Due to other programs	-	8,389	-	106,304	-	-	3,375	-	118,068	194,784
Other liabilities	2,000	-	-	-	1,476	-	-	-	3,476	3,476
Due to State of New Mexico	-	-	-	-	-	-	-	320	320	3,724
<b>Total Liabilities</b>	<b>36,955</b>	<b>12,480</b>	<b>-</b>	<b>116,586</b>	<b>1,476</b>	<b>-</b>	<b>3,375</b>	<b>320</b>	<b>\$171,192</b>	<b>1,530,153</b>
<b>Fund Balance</b>	<b>-</b>	<b>380</b>	<b>191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>571</b>	<b>571</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$36,955</b>	<b>\$12,860</b>	<b>\$191</b>	<b>\$116,586</b>	<b>\$1,476</b>	<b>-</b>	<b>\$3,375</b>	<b>\$320</b>	<b>\$171,763</b>	<b>\$1,530,724</b>

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BY PROGRAM**  
**State of New Mexico Agency on Aging - PSA**  
**For the Year Ended June 30, 2008**

	02-100 State Funds HB2	02-110 Senior Employ Pro	02-111 SEP/ Enrollee	02-201 Title III-B	02-202 Title C-1	02-203 Title C-2	02-204 Title III-D	02-205 Title III-E	02-210 Cash in Lieu NSIP	Sub- Total
<b>REVENUES</b>										
Federal - AAA	-	-	-	\$1,224,789	\$1,456,096	\$656,343	\$95,941	\$573,658	\$1,455,509	\$5,462,336
Federal cash in lieu	-	-	-	-	-	-	-	-	-	-
State	10,615,270	768,599	55,727	-	-	-	-	-	-	11,439,596
Local	1,013	-	-	-	-	-	-	-	-	1,013
<b>Total Revenues</b>	<b>10,616,283</b>	<b>768,599</b>	<b>55,727</b>	<b>1,224,789</b>	<b>1,456,096</b>	<b>656,343</b>	<b>95,941</b>	<b>573,658</b>	<b>1,455,509</b>	<b>16,902,945</b>
<b>EXPENDITURES</b>										
Administration	-	112,492	55,727	-	-	-	-	-	-	168,219
Distribution to grantees	10,616,283	656,107	-	1,224,789	1,456,096	656,343	95,941	573,658	1,455,509	16,734,726
Capital outlay	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>10,616,283</b>	<b>768,599</b>	<b>55,727</b>	<b>1,224,789</b>	<b>1,456,096</b>	<b>656,343</b>	<b>95,941</b>	<b>573,658</b>	<b>1,455,509</b>	<b>16,902,945</b>
Excess (deficiency of revenues over expenditures)	-	-	-	-	-	-	-	-	-	-

	02-501 PSA Admin.	02-502 PSA Adm-ADDG	02-504 PSA Cap Out	02-505 PSA Cap Out-Comp	02-507 PSA Dir. Sr.	02-508 PSA N4AA	03-100 State Funds HB2	Sub- Total	Total
<b>REVENUES</b>									
Federal - AAA	\$360,088	-	-	-	-	-	-	\$360,088	\$5,822,424
Federal cash in lieu	-	-	-	-	-	-	-	-	-
State	1,235,313	55,888	41,909	120,000	15,040	-	-	\$1,468,150	12,907,746
Local	-	-	-	-	-	13,375	-	\$13,375	14,388
<b>Total Revenues</b>	<b>1,595,401</b>	<b>55,888</b>	<b>41,909</b>	<b>120,000</b>	<b>15,040</b>	<b>13,375</b>	<b>-</b>	<b>1,841,613</b>	<b>18,744,558</b>
<b>EXPENDITURES</b>									
Administration	-	-	41,718	-	15,040	13,375	-	\$70,133	238,352
Distribution to grantees	1,595,401	55,508	-	-	-	-	-	\$1,650,909	18,385,635
Capital outlay	-	-	-	120,000	-	-	-	\$120,000	120,000
<b>Total expenditures</b>	<b>1,595,401</b>	<b>55,508</b>	<b>41,718</b>	<b>120,000</b>	<b>15,040</b>	<b>13,375</b>	<b>-</b>	<b>1,841,042</b>	<b>18,743,987</b>
Excess (deficiency of revenues over expenditures)	-	\$380	\$191	-	-	-	-	\$571	\$571

**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Proprietary Fund**  
**Economic Development Administration RLF**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Bank interest income	\$ 6,434	\$ 6,434	\$ 6,434	\$ -
Loan interest income	<u>20,903</u>	<u>20,903</u>	<u>20,902</u>	<u>(1)</u>
Total revenues	<u>27,337</u>	<u>27,337</u>	<u>27,336</u>	<u>(1)</u>
<b>EXPENDITURES:</b>				
Non-operating transfers out	19,511	19,511	19,511	-
Budgeted reserves	<u>7,826</u>	<u>7,826</u>	<u>-</u>	<u>7,826</u>
Total expenditures	<u>27,337</u>	<u>27,337</u>	<u>19,511</u>	<u>7,826</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>7,825</u>	\$ <u>7,825</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 19,511	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 19,511</u>	



**STATE OF NEW MEXICO**  
**NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**Proprietary Fund**  
**Tri-County RLF**  
**For the Year Ended June 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Bank interest income	\$ 3,244	\$ 3,244	\$ 3,245	\$ 1
Loan interest income	<u>7,794</u>	<u>7,794</u>	<u>7,794</u>	<u>-</u>
Total revenues	<u>11,038</u>	<u>11,038</u>	<u>11,039</u>	<u>1</u>
<b>EXPENDITURES:</b>				
Non-operating transfers out	7,779	7,779	7,779	-
Budgeted reserves	<u>3,259</u>	<u>3,259</u>	<u>-</u>	<u>3,259</u>
Total expenditures	<u>11,038</u>	<u>11,038</u>	<u>7,779</u>	<u>3,259</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,260</u>	\$ <u>3,260</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 7,779	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 7,779</u>	

**SUPPLEMENTAL INFORMATION**

# ROBERT J. RIVERA, CPA, PC

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## 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

Nick L. Salazar, President  
Members of the Board of Directors  
North Central New Mexico Economic Development District  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue fund, and the combining and individual funds presented as supplemental information of the State of New Mexico, North Central New Mexico Economic Development District, (District) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

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

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



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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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 no instances of noncompliance or other matters that are required to be reported under **Government Auditing Standards**.

This report is intended solely for the information and use of the District's management, others within the District, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



Robert J. Rivera, CPA, PC  
Santa Fe, New Mexico  
December 12, 2008

# ROBERT J. RIVERA, CPA, PC

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Nick L. Salazar, President  
Members of the Board of Directors  
North Central New Mexico Economic Development District  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

### Compliance

We have audited the compliance of the State of New Mexico, North Central New Mexico Economic Development District (District) with the types of compliance requirements described in the **U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement** that are applicable to each of its major federal programs for the year ended June 30, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the State of New Mexico, North Central New Mexico Economic Development District complied, in all material respects, with the requirements referred to above that are applicable to each of its major programs for the year ended June 30, 2008.

### Internal Control Over Compliance

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



*A control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the District's management, others within the District, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



Robert J. Rivera, CPA, PC  
Santa Fe, New Mexico  
December 12, 2008

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
Schedule of Findings and Questioned Costs (Federal Award Programs)  
Year Ended June 30, 2008**

**I. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements and the combining and individual fund financial statements of the State of New Mexico, North Central New Mexico Economic Development District.
2. There were no significant deficiencies disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the State of New Mexico, North Central New Mexico Economic Development District which would be required to be reported in accordance with **Government Auditing Standards**, were disclosed during the audit.
4. There were no significant deficiencies in internal control over major federal award programs considered to be a material weakness in internal control over major programs disclosed by the audit.
5. The auditor's report on compliance for the major federal award programs for the State of New Mexico, North Central New Mexico Economic Development District expresses an unqualified opinion on all major federal programs.
6. The audit disclosed no audit findings relating to major programs that are required to be reported in accordance with Section 510(a) of OMB Circular A-133..

7. The programs tested as major programs including the following:

**CFDA Number**

**Name of Federal Program**

**US Department of Commerce -**

11.307	<i>Special Economic Development and Adjustment Assistance Program: Sudden and Severe Economic Dislocation and Long-Term Deterioration - EDA loans</i>
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**US Department of Health and Human Services -**

	<i>New Mexico State Agency on Aging -</i>
93.044	Title III, Part B - Supportive Services and Senior Centers
93.045	Title III, Part C-1 - Nutrition Services
93.045	Title III, Part C-2 - Nutrition Services
93.043	Title III, Part D - Disease Prevention and Health Promotion
93.052	Title III, Part E - National Caregiver Support
93.053	Nutrition Services Incentive Program

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The North Central New Mexico Economic Development District qualifies as a low-risk.

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
Schedule of Findings and Questioned Costs (Federal Award Programs)  
Year Ended June 30, 2008**

**II. FINDINGS - FINDINGS and QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

	<u>Questioned Costs</u>
None	None

**III. STATUS OF PRIOR AUDIT FINDINGS and QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS**

<u>Finding</u>	<u>Current Status</u>
None	None



**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
Schedule of Findings and Responses (Pertaining to Financial Statements)  
Year Ended June 30, 2008**

**1. PRIOR-YEAR AUDIT FINDINGS**

**Status of Finding**

None

**2. CURRENT-YEAR FINDINGS AND RESPONSES PERTAINING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED**

None

**STATE OF NEW MEXICO  
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT  
June 30, 2008**

**Financial Statement Preparation**

The financial statements were prepared by the independent certified public accountant performing the audit with the assistance of the District. Management is responsible for ensuring that the books and records adequately support the preparation of financial statements in accordance with generally accepted accounting principles and that records are current and in balance. Management has reviewed and approved the financial statements.

**Exit Conference**

An exit conference was held on December 15, 2008, to discuss the audit. The following individuals were in attendance:

**State of New Mexico - North Central New Mexico Economic Development District**

Nick J. Vigil, Board Treasurer  
Barbara Deaux, Executive Director  
Fred Lopez, Contract Accountant

**Audit Firm - Robert J. Rivera, CPA, PC**

Robert J. Rivera, CPA