



**January 4, 2012**  
Agenda  
9:30 A.M. Organization / Business  
Meeting  
Valencia County Commission Chambers  
444 Luna Avenue  
Los Lunas, NM 87031

*Board of County Commissioners*  
*Georgia Otero-Kirkham, Chair District II*  
*Mary J. Andersen, Vice-Chair District I*  
*Lawrence R. Romero District III*  
*Ron Gentry District IV*  
*Donald E. Holliday District V*

- 1) Call Meeting to Order
- 2) Pledge of Allegiance
- 3) Approval of Agenda
- 4) Approval of Minutes: December 21, 2011-Business Meeting

*Georgia Otero-Kirkham*

**PRESENTATION(S)**

- 5) Older Americans Advisory Council Progress Report: Lillie McNabb

**DISCUSSION (Non-Action) ITEM(S)**

- 6) Reports from Manager, Commissions, Boards & Committees

**ACTION ITEM(S)**

- a) Resolution 2012-\_\_\_\_, Appointment of Chairperson & Vice-Chairperson
  - b) Resolution 2012-\_\_\_\_, Adoption of 2012 Open Meetings
  - c) Resolution 2012-\_\_\_\_, Adoption of Parliamentary Procedures and Robert's Rules of Order
  - d) Resolution 2012-\_\_\_\_, Inspection of Public Records Act
  - e) Resolution 2012-\_\_\_\_, Establish Holidays & Work Hours
  - f) Resolution 2012-\_\_\_\_, Establish Depositories
  - g) Resolution 2012-\_\_\_\_, Signature Authority on Checks
  - h) Appointments Boards, Commissions & Committees
  - i) Approval of County Organization Chart
  - j) Initiatives Discussion for 2012
  - k) Other Organizational Issues/Discussions
- 7) Consideration of MOU between Village of Bosque Farms and Valencia County: **Kenny Griego / Jose Campos**
  - 8) Consideration of Contract Between John Kirkpatrick and Valencia County for the Belen Senior Center Addition: **Kenny Griego / Jose Campos**
  - 9) Consideration of Legislative Priorities 2012-2013: **County Commission / Eric Zamora**

**FINANCIAL MATTERS:**

- 10) Consideration of Audit for Fiscal Year 2010-2011 prepared by Accounting and Consulting Group, LLP.:  
**Kenny Griego / Wilma Abril**

11) Consideration of Approval: Payroll / Warrants: **Kenny Griego / Wilma Abril**

**PUBLIC COMMENT:**

*Please sign up on the sheet located just outside the Commission chambers. The Board will allow each member of the public wishing to address the Board a full and complete opportunity to address the Commission*

**EXECUTIVE SESSION:**

Pursuant to Section 10-15 1 (H) (2) (7) & (8), the following matters may be discussed in closed session: a. personnel ***Consideration of employee contracts: County Manager, Business Manager, Code Enforcement Director, Warden;*** b. pending or threatened litigation: c. real property: d. other specific limited topics that are allowed or authorized under the stated statute.

- ♦ Motion and roll call vote to go into Executive Session for the stated reasons
- ♦ Board meets in closed session
- ♦ Motion and vote to go back into regular session
- ♦ Summary of items discussed in closed session
- ♦ Motion and roll call vote that matters discussed in closed session were limited to those specified in motion for closure, and that no final action was taken, pursuant to the authority in §10-15-1 NMSA 1978.

**NEXT COMMISSION MEETING:**

- ♦ **January 11, 2012 – Public Hearing Meeting @ 5:00 P.M.**  
Valencia County Commission Board Room 444 Luna Ave. LL, NM

**ADJOURN:**

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*If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the Valencia County Manager's Office at the Valencia County Courthouse, Los Lunas, New Mexico, (505) 866-2014 at least one week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the Valencia County Manager's Office at the Valencia County Courthouse if a summary or other type of accessible format is needed.*

# VALENCIA COUNTY BOARD OF COMMISSIONERS

## BUSINESS MEETING

JANUARY 4, 2012

<b>PRESENT</b>	
Donald E. Holliday, Chair	
Georgia Otero-Kirkham, Vice-Chair	
Lawrence R. Romero, Member	
Ron Gentry, Member	
Mary J. Andersen, Member	
Eric Zamora, County Manager	
Adren Nance & Dave Pato, County Attorneys	
Sally Perea, County Clerk	
Press and Public	

- 1) The meeting was called to order by Madam Chair at 9:30 A.M.
- 2) Madam Chair led the Pledge of Allegiance.
- 3) **Approval of Agenda**  
Commissioner Holliday moved for approval of the agenda. Seconded by Commissioner Romero. Motion carried unanimously.
- 4) **Approval of Minutes: December 21, 2011 Business Meeting**  
Commissioner Andersen moved for approval of the minutes of December 21, 2011 Business Meeting. Seconded by Commissioner Holliday. Motion carried unanimously.

### PRESENTATION(S)

#### 5) **Older Americans Advisory Council Progress Report - Lillie McNabb**

Older America Advisory Council Chair Lillie McNabb and the Advisory Council thanked the commission and county residents for the donations and support to the seniors throughout the years and asked for support in acquiring more funding through the legislature for the Older Americans Program. Ms. McNabb presented the commission with a chart showing the statistics, facts and the projections for the coming year prepared by the Older Americans Program Director Jose Campos. There's no way the Valencia County Older Americans Program could accomplish what it has done without Mr. Campos and Mr. Wayne Gallegos.

Older Americans Program Director Jose Campos stated fiscal year 2009/2010– 2010/2011 did well because of the stimulus funding. This year there is no more stimulus money available. Instead of commodities the program get's cash in lieu, so for every meal served the program receives fifty-four cents from the federal government. They are presently delivering 300 meals to homebound seniors who are in their 80's–90's and without these meals, they will either be institutionalized or will go without a meal. The home delivery meal budget accounts for almost 60% of the programs budget. Mr. Campos is projecting \$60,000.00 over budget if it continues like this for the remainder of the year and so he has been looking at every possible way in cutting expenses without hurting the seniors. Santa Fe has advised Mr. Campos to start a waiting list and cut the seniors off of home delivered meals, which he refuses to do because this is probably the only meal they're getting. Commissioner Andersen agrees with Mr. Campos not to cut meals but they have to see if somehow that amount can be squeezed down in order to avoid a \$60,000.00 deficit.

Mr. Campos also updated the commission on the programs capital outlay, the Fred Luna Senior Center, Belen Senior Center and the Del Rio center. Mr. Campos said the Village of Los Lunas pays for all the utilities in the building, the upkeep and maintenance.

Michael Jaramillo representing the Village of Los Lunas expressed their support of the Fred Luna Senior Center and the Older Americans Program and are definitely doing what they can to carry their share of the costs of the facility. They are presently looking at working with personnel at the site and also expanding the hours of operation.

State Advisory Board Member Wayne Gallegos who represents Valencia County said the board looks at all the senior centers throughout the state. By working together they can come up with some numbers to help keep the program going. He also chairs the Valencia County Senior Support which advocates for seniors.

Chairman Holliday thanked Ms McNabb, Mr. Campos and Mr. Gallegos for the wonderful work they've done and asked Mr. Campos to submit the exact dollar amount the program will need.

**DISCUSSION (Non-Action) ITEM(S)**

**6) Reports from Manager, Commissions, Boards & Committees**

County Manager Eric Zamora received notice several months ago from the Department of Transportation regarding the potential closure of some rail crossings just south of the Mid-Valley Airpark and is presently working with the Department of Transportation's rail section to draft some agreements to try and keep those road crossings open.

Secretary of Interior Ken Salazar will be in Albuquerque at the Rio Grande Nature Center on Candelaria and Rio Grande to discuss opportunities on conservation and recreation in the Rio Grande Valley. It will be an informational meeting and the commission is invited to attend.

The road graders will be out again and will be working in Highland Meadows. They will try and cover as many roads as possible.

Mr. Zamora will provide the commission with a financial update at the January 25<sup>th</sup> meeting. The county also has several legal cases pending and would like to have one of the contract attorneys through the Association of Counties be present to update the commission on those cases.

The Mid-Winter Conference will be held on the week of the 16<sup>th</sup> in Santa Fe so the next business meeting will be held on January 25<sup>th</sup> instead of January 18<sup>th</sup>.

This Friday is the first round of negotiations with the American Federation of State, County and Municipal Employees. This is the detention center union which is being formed and will be meeting here to discuss that opening round of negotiations.

Mr. Hoss Foster has put together a substantial list of documents to send up to FEMA regarding the flood plain issues the county is trying to address. A meeting is anticipated with FEMA the first quarter of the year to address those flood plain issues.

**ACTION ITEM(S)**

**A) Resolution 2012-01, Appointment of Chairperson & Vice-Chairperson**

Commissioner Andersen motioned to nominate Commissioner Donald Holliday as Chair. Seconded by Madam Chair. Motion carried unanimously.

Commissioner Andersen motioned to nominate Commissioner Georgia Otero-Kirkham as Vice-Chair. Seconded by Commissioner Holliday. Motion carried unanimously.

County Clerk Sally Perea announce Resolution 2012-01. (See Exhibit A)

**B) Resolution 2012-02, Adoption of 2012 Open Meetings**

Vice-Chair Otero-Kirkham moved for approval. Seconded by Commissioner Romero. Motion carried unanimously.

County Clerk Sally Perea announced Resolution 2012-02. (See Exhibit B)

**C) Resolution 2012-03, Adoption of Parliamentary Procedures and Robert's Rules of Order**

Commissioner Romero moved for approval. Seconded by Commissioner Andersen. Motion carried unanimously.

County Clerk Sally Perea announced Resolution 2012-03. (See Exhibit C)

**D) Resolution 201-04, Inspection of Public Records Act**

Vice-Chair Otero-Kirkham moved for approval. Seconded by Commissioner Romero. Motion carried unanimously.

County Clerk Sally Perea announced Resolution 2012-04. (See Exhibit D)

**E) Resolution 2012-05, Establish Holidays & work Hours**

Vice-Chair Otero-Kirkham moved for approval. Seconded by Commissioner Andersen. Since Christmas and New Year's holidays fall on a Tuesday, Monday is a workday and this gives the commission an opportunity to make that Monday a holiday. County Attorney Adren Nance said that change can be made at a later time. Motion carried unanimously.

County Clerk Sally Perea announced Resolution 2012-05. (See Exhibit E)

**F) Resolution 2012-06, Establish Depositories**

Commissioner Gentry moved to approve this as a blanket contract and the County Treasurer then comes back at the next business with her recommendation. Seconded by Vice-Chair Otero-Kirkham. Motion carried unanimously.

County Clerk Sally Perea announced Resolution 2012-06. (See Exhibit F)

**G) Resolution 2012-07, Signature Authority on Checks**

Vice-Chair Otero-Kirkham moved for approval of signature authority on checks. Seconded by Commissioner Romero. Motion carried unanimously.

County Clerk Sally Perea announced Resolution 2012-07. (See Exhibit G)

**H) Appointments of Boards, Commissions & Committees**

Appointment changes were made to the Appointments of Board, Commission, and Committees, Regional Transit District Board, Workforce Investment Board, and New Mexico Association of Counties Board of Directors. The Animal Control Advisory Board required further discussion and was tabled.

Commissioner Andersen moved for approval with the Animal Control Advisory Board being tabled for a later date. Seconded by Vice-Chair Otero Kirkham. Motion carried unanimously. (See Exhibit H)

**I) Approval of County Organization Chart**

Commissioner Andersen moved for approval of the Organization Chart. Seconded by Commissioner Romero. Motion carried 4-1. Commissioner Gentry voted no. (See Exhibit I)

**J) Initiatives Discussion for 2012**

Chairman Holliday moved for approval. Seconded by Vice-Chair Otero-Kirkham. Motion carried unanimously.

**K) Other Organizational Issues / Discussions**

Commission Romero said he would like for everyone to try and work together as 2011 was a rough year. What he would like to see as a new resolution is that what the commission does will be in the best interest of the county and also be conservative with county funds. Commissioner Romero looks forward to this year being a good year.

Vice-Chair Otero-Kirkham also agreed with Commissioner Romero, let's get this year started on a good note and move forward. Let's put the county first instead of our personal agendas.

**7) Consideration of MOU between Village of Bosque Farms and Valencia County – Kenny Griego / Jose Campos.**

Chairman Holliday motioned for approval. Seconded by Vice-Chair Otero-Kirkham. Motion carried unanimously. ( See Exhibit J )

**8) Consideration of Contract Between John Kirkpatrick and Valencia County for the Belen Senior Center Addition – Kenny Griego / Jose Campos.**

Business Manager Kenny Griego stated the Older American Program has a legislative appropriation in the amount of \$300,000.00 for the renovation of the Belen Senior Center. The amount of this contract is \$31,946.00. Commissioner Romero moved for approval. Seconded by Commissioner Andersen. Motion carried unanimously. ( See Exhibit K )

**9) Consideration of Legislative Priorities 2012-2013 – County Commission / Eric Zamora**

Vice-Chair Otero-Kirkham moved for approval. Seconded by Commissioner Andersen. Motion carried. (SEE EXHIBIT L)

**FINANCIAL MATTERS:**

**10) Consideration of Audit for Fiscal Year 2010-2011 Prepared by Accounting and Consulting Group, LLP- Kenny Griego/Wilma Abril.**

Business Manager Kenny Griego stated the audit was received from the office of the state auditor on November 15, 2011. The state auditor's review and audit report was required by the State of New Mexico and has been completed. The approval will allow the county to pay off the remainder of the fees to Accounting and Consulting Group LLP in the amount of \$49,800.00 plus a GRT (Gross Receipt Tax) for a total of \$53,286.00. Vice-Chair Otero-Kirkham and Commissioner Andersen both had several concerns and suggested sitting down with the County Treasurer to discuss what can be done to resolve these issues. Commissioner Andersen moved for approval. Seconded by Vice-Chair Otero-Kirkham. Motion carried unanimously. (SEE EXHIBIT M)

11) **Consideration of Approval: Payroll / Warrants – Kenny Griego / Wilma Abril**  
Vice-Chair Otero-Kirkham moved for approval of payroll / warrants. Seconded by Commissioner Romero. Motion carried unanimously. (SEE EXHIBITS N-0)

**PUBLIC COMMENTS:**

Those members of the audience making comments were Valencia County residents Bob Gostischa, Louis Gallegos, Sara Alice Hayes, Larry Cooley, Tony Romo Jr., Jim Crawford, John Clemmons and Alice Torwrit.

**EXECUTIVE SESSION:**

Pursuant to Section 10-15-1 (H) (2) (7) & (8), the following matters may be discussed in closed session: a.) personnel matters; Consideration of Employee Contracts: County Manager, Business Manager, Code Enforcement Director & Warden b). Pending or threatened litigation c.) real property and d.) other specific limited topics that are allowed or authorized under the state statute.

Vice-Chair Otero Kirkham motioned to go into Executive Session. Seconded by Commissioner Romero. Roll call vote. Commissioner Andersen voted yes. Commissioner Gentry voted yes. Commissioner Romero voted yes. Vice-Chair Otero-Kirkham voted yes. Chairman Holliday voted yes. Motion carried 5-0.

Vice-Chair Otero-Kirkham moved to go back into Regular Session. Seconded by Chairman Holliday. Motion carried unanimously.

County Attorney Adren Nance stated matters that were discussed in Executive Session were limited to consideration of county contracts: County Manager, Business Manager, Code Enforcement Director and Warden and no final action was taken.

Commissioner Andersen moved for approval of the summary as stated by counsel. Seconded by Commissioner Romero. Roll call vote. Commissioner Romero voted yes. Vice-Chair Otero-Kirkham voted yes. Commissioner Gentry voted yes. Commissioner Andersen voted yes. Chairman Holliday voted yes. Motion carried 5-0.

**NEXT COMMISSION MEETING:**

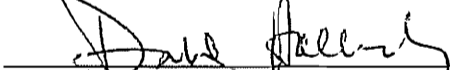
The next Public Hearing Meeting of the Valencia County Board of County Commission will be held on January 11, 2012 at 5:00 P.M. in the County Commission Room at the Valencia County Courthouse.

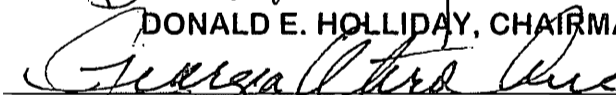
11) **Adjournment**

Vice-Chair Otero-Kirkham moved for adjournment. Seconded by Commissioner Andersen. Motion carried unanimously. TIME 11:59 A.M.

**NOTE:** All proposals, documents, items, etc., pertaining to items on the agenda of the January 4, 2012 Organization / Business Meeting (presented to the Board of County Commissioners) are attached in consecutive order as stated in these minutes.

**VALENCIA COUNTY BOARD OF COMMISSIONERS**

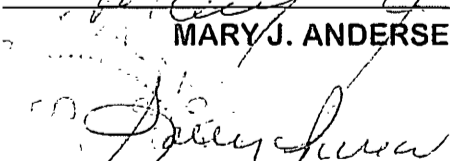
  
\_\_\_\_\_  
DONALD E. HOLLIDAY, CHAIRMAN

  
\_\_\_\_\_  
GEORGIA OTERO-KIRKHAM, VICE-CHAIR

  
\_\_\_\_\_  
LAWRENCE R. ROMERO, MEMBER

  
\_\_\_\_\_  
RON GENTRY, MEMBER

  
\_\_\_\_\_  
MARY J. ANDERSEN, MEMBER

ATTEST:   
\_\_\_\_\_  
SALLY PEREA, COUNTY CLERK

DATE: 1-25-2012

VALENCIA COUNTY  
BOARD OF COUNTY COMMISSIONERS  
RESOLUTION NO. 2012-01

**APPOINTMENT OF CHAIRPERSON AND VICE-CHAIRPERSON OF  
VALENCIA COUNTY COMMISSION**

**WHEREAS**, the Valencia County Board of Commissioners upon notice of meeting duly published has considered appointment of a Chair of the Valencia County Commission, and a Vice-Chair, and upon motions duly made and seconded has voted by majority and appointed its Chair and Vice-Chair, in its regularly scheduled meeting at the Valencia County Administration Building, 444 Luna Avenue, Los Lunas, New Mexico 87301, commencing at 9:30 A.M., on January 4, 2012.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Valencia County Commission appoints and names as Chair of the Commission,

Donald E. Holliday

and as Vice-Chair of the Commission,

Georgia Otero-Kirkham

**APPROVED, ADOPTED, AND PASSED** on this 4<sup>th</sup> day of January, 2012.

**BOARD OF COUNTY COMMISSIONERS**

Mary J. Andersen

Mary J. Andersen  
Commissioner, District I

Georgia Otero-Kirkham

Georgia Otero-Kirkham  
Commissioner, District II

Lawrence R. Romero

Lawrence R. Romero  
Commissioner, District III

Ron Gentry

Ron Gentry  
Commissioner, District IV

Donald E. Holliday

Donald E. Holliday  
Commissioner, District V

Attest:

Sally Perea

Sally Perea, County Clerk

( EXHIBIT A )

**VALENCIA COUNTY  
BOARD OF COUNTY COMMISSIONERS  
RESOLUTION NO. 2012-02**

**OPEN MEETINGS ACT**

**WHEREAS**, the Valencia County Board of Commissioners met upon notice of meeting duly published at the Valencia County Administration Building, 444 Luna Avenue, Los Lunas, New Mexico 87031 on Wednesday, January 4, 2011, at 9:30 A.M. as required by law; and,

**WHEREAS**, Section 10-15-1 (B) of the Open Meetings Act (NMSA 1978, Section 10-15-1 to - 4) states that, except as may be otherwise provided in the Constitution or the provisions of the Open Meetings Act, all meetings of a quorum of members of any board, council, commission or their policy-making body of any state or local public agency held for the purpose of formulating public policy, or for the purpose of taking any action within the authority of such body, are declared to be public meetings open to the public at all times; and,

**WHEREAS**, any meetings subject to the Open Meetings Act at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs shall be held only after reasonable notice to the public; and,

**WHEREAS**, Section 10-15-1 (D) of the Open Meetings Act requires the Valencia County Commission to determine at least annually what constitutes reasonable notice of its public meetings;

**NOW, THEREFORE, BE IT RESOLVED**, by the Valencia County Commission that:

1. All meetings shall be held at the Valencia County Administration Building, 444 Luna Avenue, Los Lunas, New Mexico 87031 or as indicated on the meeting notice.
2. Regular business meetings shall begin at 9:30 a.m. and regular public hearing meetings shall begin at 5:00 p.m., or as indicated in the meeting notice. Regular business meetings will be held the first and third Wednesday of each month and regular public hearing meetings will be held on the second Wednesday of each month, if needed, unless otherwise specified. The agenda will be available at least forty-eight hours prior to a regular business meeting or a regular public hearing meeting from the County Manager, whose office is located at 444 Luna Avenue, Los Lunas, New Mexico 87031. Notice of any other regular meetings will be given at least three days in advance of the meeting date. The notice shall include a copy of the agenda or information on how a copy of the agenda may be obtained.

3. Special meetings may be called by a majority of the members upon three days notice. The notice shall include an agenda for the meeting or information on how members of the public may obtain a copy of the agenda. The agenda shall be available to the public at least forty-eight hours before any special meeting.
4. Emergency meetings will be called only under unforeseen circumstances that demand immediate action to protect the health, safety and property of the citizens or to protect the public body from substantial financial loss. The Valencia County Commission will avoid emergency meetings whenever possible. Emergency meetings may be called by the Chairman or a majority of the members upon twenty-four hours notice, unless protecting Valencia County from substantial financial loss or a threat to the health, safety and property of the citizens of Valencia County requires less notice. The notice for all emergency meetings shall include an agenda for the meeting or information on how the public may obtain a copy of the agenda.
5. For the purposes of regular meetings and special meetings described in paragraphs 2 and 3 of this resolution, notice requirements are met if the notice of the date, time, place and agenda is published online at the County's website [www.co.valencia.nm](http://www.co.valencia.nm), is posted at the following locations:

- A. Valencia County Administration Office, 444 Luna Avenue, Los Lunas, New Mexico 87031;
- B. Valencia County District Courthouse, 1835 Hwy 314 SW, Los Lunas, NM, 87031;
- C. Del Rio Senior Center, 351 Rio Communities Blvd., Belen, NM 87002;
- D. Meadowlake Senior Center, 100 Cuervo Lane, Los Lunas, NM 87031;

and if the date, time, and place of the meeting, and information on how the public may obtain a copy of the agenda, is placed in a newspaper of general circulation in Valencia County. Copies of the written notice shall also be mailed, faxed or emailed to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made a written request for notice of public meetings.

6. For the purposes of emergency meetings described in paragraph 4 of this resolution, notice requirements are met if notice of the date, time, place and agenda is provided by telephone, facsimile or email to newspapers of general circulation in the County and posted at the Valencia County Administration Office, 444 Luna Avenue, Los Lunas, New Mexico 87031. Notice shall also be given by telephone, facsimile or email to those broadcast stations licensed by the Federal Communications Commission and newspapers of general circulation that have made a written request for notice of public meetings.

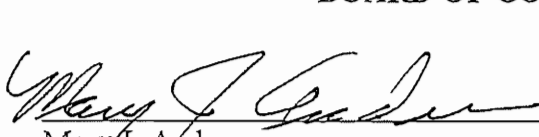
7. In addition to the information specified above, all agendas shall include the following language:

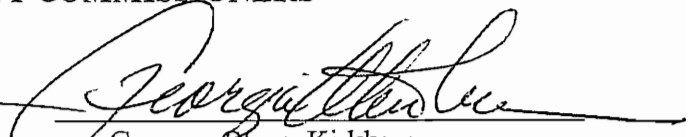
*"If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting please contact the Valencia County Manager, at 444 Luna Avenue, Los Lunas, New Mexico 87031, phone (505) 866-2014 at least one (1) week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the Valencia County Manager if a summary or other type of accessible format is needed."*

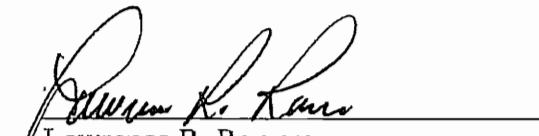
8. The Valencia County Commission may close a meeting to the public only if the subject matter of such discussion or action is exempted from the Open Meeting requirement under Section 10-15-1 (H) (1 through 10) of the Open Meetings Act.
- A. If any meeting is closed during an open meeting, such closure shall be approved by a majority vote of a quorum of the County Commission taken during the open meeting. The authority for the closed meeting and the subjects to be discussed shall be stated with reasonable specificity in the motion to close and the vote of each individual member on the motion to close shall be recorded in the minutes. Only those subjects specified in the motion may be discussed in the closed meeting.
  - B. If a closed meeting is conducted when the Valencia County Commission is not in an open meeting, the closed meeting shall not be held until public notice, appropriate under the circumstances, stating the specific provision of law authorizing the closed meeting and the subjects to be discussed with reasonable specificity is given to the members of the general public.
  - C. Following completing of any closed meeting, the minutes of the open meeting that was closed, or the minutes of the next open meeting if the closed meeting was separately scheduled, shall state whether the matters discussed in the closed meeting were limited only to those specified in the motion or notice for closure.
  - D. Except as proved in Section 10-15-1(H) of the Open Meetings Act, any action taken as a result of discussions in a close meeting shall be made by vote of the Valencia County Commission in an open public meeting.
9. A member of the Board of County Commissioners or any of its Boards may participate in a meeting by means of a conference telephone or other similar communications equipment when it is difficult or impossible for the member to attend the meeting in person, provided that each member participating by conference telephone can be identified when speaking, all participants are able to hear each other at the same time, and members of the public attending the meeting are able to hear any member of the public body who speaks during the meeting.

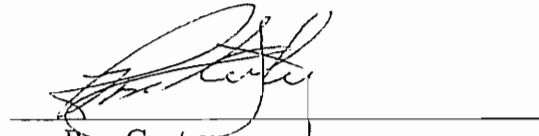
APPROVED, ADOPTED, AND PASSED on this 4<sup>th</sup> day of January, 2012.

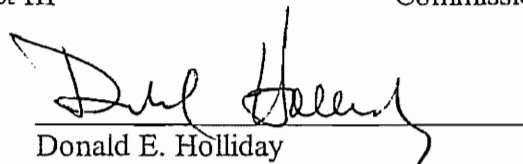
BOARD OF COUNTY COMMISSIONERS

  
Mary J. Andersen  
Commissioner, District I

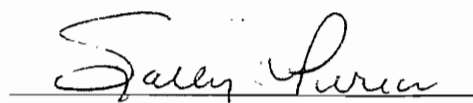
  
Georgia Otero-Kirkham  
Commissioner, District II

  
Lawrence R. Romero  
Commissioner, District III

  
Ron Gentry  
Commissioner, District IV

  
Donald E. Holliday  
Commissioner, District V

Attest:

  
Sally Perea, County Clerk

VALENCIA COUNTY  
BOARD OF COUNTY COMMISSIONERS  
RESOLUTION NO. 2012-03

**PARLIAMENTARY PROCEDURES AND ROBERT'S RULES OF ORDER**

**WHEREAS**, the Valencia County Commission met upon notice of meeting duly published on January 4, 2012 at 9:30 A.M. in the Valencia County Administration Building, 444 Luna Avenue, Los Lunas, New Mexico 87301; and,

**WHEREAS**, the Board of County Commissioners will conduct their meetings using Robert's Rules of Order (10<sup>th</sup> ed.) as a guide to parliamentary authority, except as modified by this document; and,

**WHEREAS**, the Board of County Commissioner has five elected Commissioners representing five districts, and collectively, set policy for Valencia County outside of incorporated areas; and,

**WHEREAS**, collectively, the Board of County Commissioners, through simple majority, elect a Chairperson and Vice-Chairperson from among themselves, whose terms last until the first meeting of the next year; and,

**WHEREAS**, individually, the Board of County Commissioners are equal in their authority to represent not only their district but the entire County; and,

**WHEREAS**, to give equal representation for all five members of the Commission is appropriate to adopt special rules modifying Robert's Rules of Order.

**NOW, THEREFORE BE IT RESOLVED**, the Board of County Commissioners incorporates the above recitals, to be made a part of this resolution with the same force and effect as the remainder of this document.

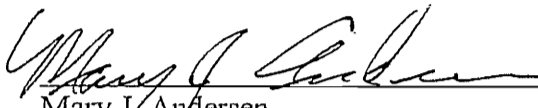
**BE IT FURTHER RESOLVED**, that the Board of County Commissioners adopt the following "Special Rules" modifying Robert's Rules of Order for the purpose of conducting business during the meetings of the Board:

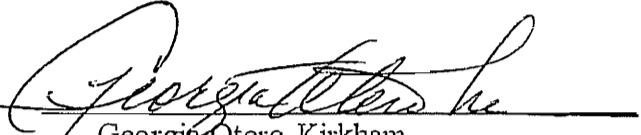
1. The Chairperson may make motions and shall have the same voting rights, no less and no more, as any other member of the Board.
2. The Chairperson shall not have any administrative, procedural, contractual or similar authority different than any other member of the Board, except as provided by statute.
3. Should the Chairperson vacate the office of Chairperson, the Vice-Chairperson shall serve the remainder of the term, and a new Vice-Chairperson shall be selected by a simple majority of a quorum of the Board.


4. Members of the Board are required to obtain the floor (i.e., must be recognized by the Chairperson) before making motions or speaking.
5. Any and all motions need to have a second before a vote may be taken.
6. Items appearing on the agenda of meetings of the Board shall be those necessary for the proper consideration and management of County business, as determined by the County Manager. Additionally, the County Manager shall place any item necessary for the proper consideration and management of County business requested by any individual member of the Board of County Commissioners on the agenda for the meetings of the Board.

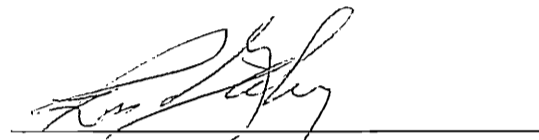
**APPROVED, ADOPTED, AND PASSED** on this 4<sup>th</sup> day of January, 2012.


**BOARD OF COUNTY COMMISSIONERS**

  
Mary J. Andersen  
Commissioner, District I

  
Georgia Otero-Kirkham  
Commissioner, District II

  
Lawrence R. Romero  
Commissioner, District III

  
Ron Gentry  
Commissioner, District IV

  
Donald E. Holliday  
Commissioner, District V

Attest:

  
Sally Perea, County Clerk

VALENCIA COUNTY  
BOARD OF COUNTY COMMISSIONERS  
RESOLUTION NO. 2012-04

INSPECTION OF PUBLIC RECORDS ACT

**Whereas**, the Board of County Commissioners of Valencia County, met upon notice of meeting duly published on January 4, 2012, at 9:30 A.M. in the Valencia County Administration Building, 444 Luna Avenue, Los Lunas, New Mexico 87301; and,

**Whereas**, Section 14-2-7 of the Inspection of Public Records Act (NMSA 1978, Section 14-2-1 to -12) states that each public body shall designate at least one custodian of public records who shall: Receive and respond to requests to inspect public records, provide proper and reasonable opportunities to inspect public records, and provide reasonable facilities to make or furnish copies of the Public Records during usual business hours;

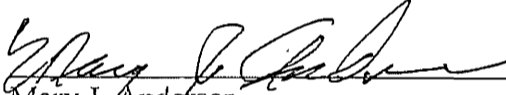
**NOW, THEREFORE, BE IT RESOLVED**, by the Valencia County Commission that it designates the Valencia County Manager as its custodian of public records.

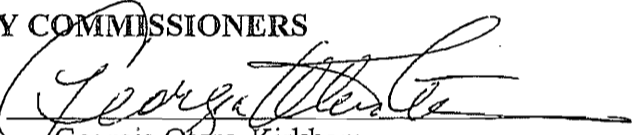
The County Manager shall:

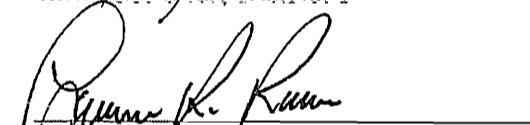
1. Receive and respond to requests to inspect County Commission public records
2. Provide proper and reasonable opportunities to inspect County Commission public records
3. Provide reasonable facilities to make or furnish copies of County Commission public records during usual business hours.

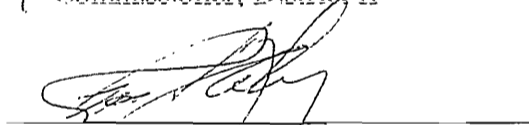
**APPROVED, ADOPTED, AND PASSED** on this 4<sup>th</sup> day of January, 2012.

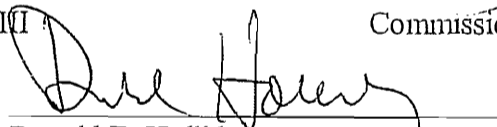
BOARD OF COUNTY COMMISSIONERS

  
Mary J. Andersen  
Commissioner, District I

  
Georgia Otero-Kirkham  
Commissioner, District II

  
Lawrence R. Romero  
Commissioner, District III

  
Ron Gentry  
Commissioner, District IV

  
Donald E. Holliday  
Commissioner, District V

Attest:

  
Sally Perea, County Clerk

( EXHIBIT D )

**VALENCIA COUNTY  
BOARD OF COUNTY COMMISSIONERS  
RESOLUTION NO. 2012- 05**

**ESTABLISH HOLIDAYS & WORK HOURS**

**WHEREAS**, The Valencia County Commission met upon notice of meeting duly published on January 4, 2012 at 9:30 A.M. in the Valencia County Administration Building, 444 Luna Avenue, Los Lunas, New Mexico 87301; and,

**WHEREAS**, The Board of County Commissioners will establish regular working hours and holidays as follows:

**WORKING HOURS:**

Monday through Friday - 8:00 A.M. - 5:00 P.M. - five (5) days a week, with two (15) minute breaks every (4) hours, and one (1) hour for lunch break (Days and times for offices that require staggered shifts, part-time, emergency or personnel employed through grants, including the County Road Department, may vary according to need and as approved by the Elected Official/ Department Head and the County Manager).

**HOLIDAYS:**

The Commission will follow State personnel memorandum of holidays, and amendments are to be made only by the Board of County Commissioners.

<b>HOLIDAY</b>	<b>DAY / DATE OBSERVED</b>
Martin Luther King Jr.'s Birthday	Monday, January 16, 2012
Spring Holiday	Friday, April 6, 2012
Memorial Day	Monday, May 28, 2012
Independence Day	Wednesday, July 4, 2012
Labor Day	Monday, September 3, 2012
Columbus Day	Monday, October 8, 2012
Veteran's Day	Monday, November 12, 2012
Thanksgiving Day	Thursday, November 22, 2012
President's Day	Friday, November 23, 2012
Christmas Day	Tuesday, December 25, 2012
New Year's Day 2013	Tuesday, January 1, 2013

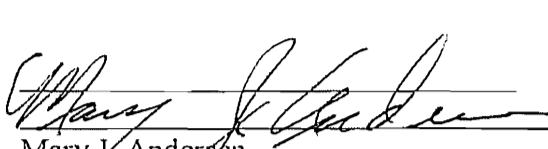
( EXHIBIT E )

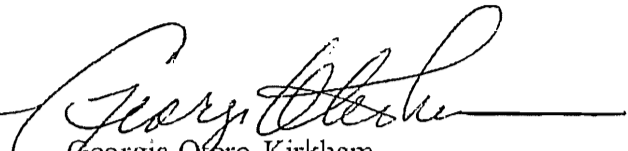
Page 1 of 2

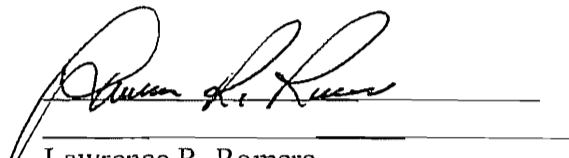
**NOW, THEREFORE, BE IT RESOLVED**, that the Valencia County Commissioners approve the above working hours and holidays on this 4<sup>th</sup> day of January, 2010.

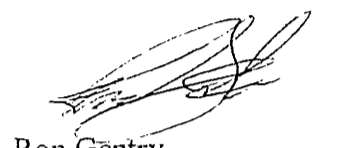
**APPROVED, ADOPTED, AND PASSED** on this 4<sup>th</sup> day of January, 2012.

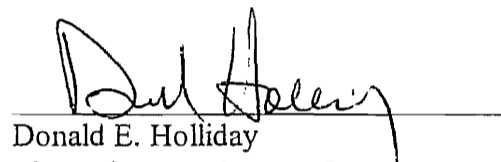
**BOARD OF COUNTY COMMISSIONERS**

  
Mary J. Andersen  
Commissioner, District I

  
Georgia Otero-Kirkham  
Commissioner, District II

  
Lawrence R. Romero  
Commissioner, District III

  
Ron Gentry  
Commissioner, District IV

  
Donald E. Holliday  
Commissioner, District V

Attest:

  
Sally Perea, County Clerk

**VALENCIA COUNTY  
BOARD OF COUNTY COMMISSIONERS  
RESOLUTION NO. 2012-06**

**ESTABLISH DEPOSITORIES**

**WHEREAS**, The Valencia County Commission met upon notice of meeting duly published on January 4<sup>th</sup>, 2012 at 9:30 A.M. in the Valencia County Administration Building, 444 Luna Avenue, Los Lunas, New Mexico 87301; and,

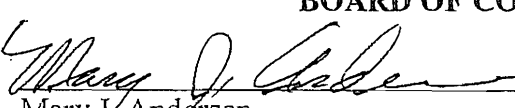
**WHEREAS**, The Board of County Commissioners will establish depositories for Valencia County funds, which will be located in Valencia County.

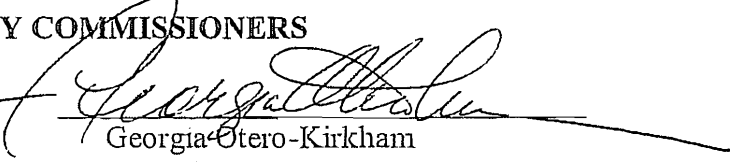
**BE IT RESOLVED** that the authorized depositories for Valencia County funds and investments shall be at \_\_\_\_\_ located in Valencia County, at \_\_\_\_\_ located in Valencia County, and at \_\_\_\_\_ located in Valencia County, and/or New Mexico State Treasury and in conformance with the requirements of the New Mexico Statutes:

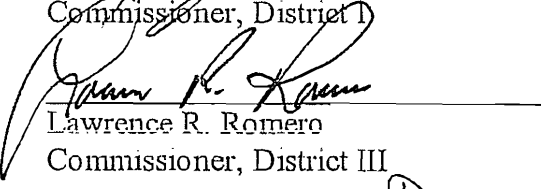
**BE IT FURTHER RESOLVED** that any and all investments of Valencia County assets shall be recommended by the County Treasurer and be approved by Board of County Commissioners sitting as County Board of Finance in accordance with NMSA 1978 Section 6-10-8 (1987) and all other Federal and New Mexico laws in such case made and provided. Investments shall not be made prior to all approvals.

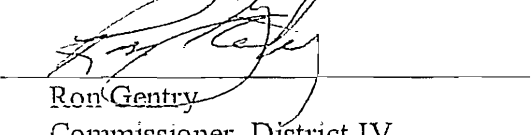
**APPROVED, ADOPTED, AND PASSED** on this 4<sup>th</sup> day of January, 2012.

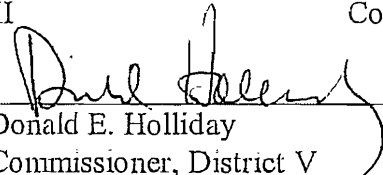
**BOARD OF COUNTY COMMISSIONERS**

  
Mary J. Andersen  
Commissioner, District I

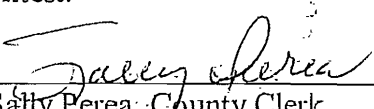
  
Georgia Otero-Kirkham  
Commissioner, District II

  
Lawrence R. Romero  
Commissioner, District III

  
Ron Gentry  
Commissioner, District IV

  
Donald E. Holliday  
Commissioner, District V

Attest:

  
Sally Perea, County Clerk

( EXHIBIT F )

VALENCIA COUNTY  
BOARD OF COUNTY COMMISSIONERS  
RESOLUTION NO. 2012-07

SIGNATURE AUTHORITY ON CHECKS

**WHEREAS**, the Valencia County Commission met upon notice of meeting duly published on January 4, 2012 at 9:30 A.M. at the Valencia County Administration Building, 444 Luna Avenue, Los Lunas, New Mexico 87301; and,

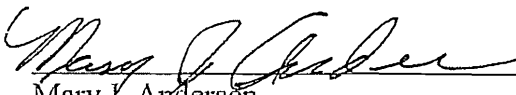
**WHEREAS**, the Valencia County Commission delegates its authority for the signature of Valencia County checks, under NMSA 1978, Section 4-45-4 (2001), to the Chairperson or his/her designee and the County Treasurer jointly; and,

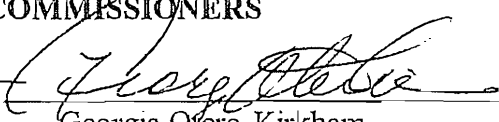
**WHEREAS**, this delegation and the authorization of signatures on checks shall continue until replaced by future designations. This designation of signatures may be affixed to the form contract of deposit signature card of any financial institution issuing Valencia County checks, and shall incorporate the terms thereof, and all laws of the State of New Mexico and regulations of the Local Government Division of the Department of Finance and Administration, as if fully set out herein, and when so affixed, shall constitute full and sufficient authorization of the banking institution to honor signatures upon such checks.

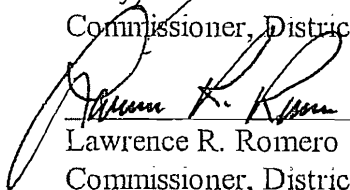
**NOW, THEREFORE, BE IT RESOLVED**, that the Valencia County Commissioners approve signature authority on checks on this 4<sup>th</sup> day of January 2012.

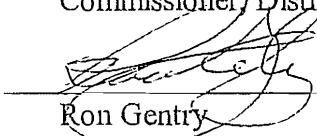
**APPROVED, ADOPTED, AND PASSED** on this 4<sup>th</sup> day of January, 2012.

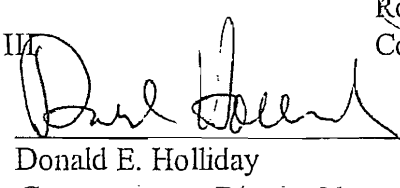
BOARD OF COUNTY COMMISSIONERS

  
Mary J. Andersen  
Commissioner, District I

  
Georgia Otero-Kircham  
Commissioner, District II

  
Lawrence R. Romero  
Commissioner, District III

  
Ron Gentry  
Commissioner, District IV

  
Donald E. Holliday  
Commissioner, District V

Attest:

 (EXHIBIT G)  
Sally Perea, County Clerk

Valencia County -- Board of County Commissioners  
2012 List of Appointments – Boards, Committees, Commissions & Other Positions

Revised: 01/04/2012

<u>Board, Commission or Committee</u>	<u>District</u>	<u>Commission 2012 Appointment</u>
<b>Board of County Commissioners</b>		
	District V	<b>Donald Holliday, Chair</b>
	District II	<b>Georgia Otero-Kirkham, Vice-Chair</b>
(A 1 year term unless established otherwise by ordinance)		
<b>Planning &amp; Zoning Commission</b> (Standing Commission)		
	District I	Gregory Gaudette
	District II	Scott Edeal
	District III	Joan Artiaga-Armijo
	District IV	Mike McCartney
	District V	Jim Lane
<b>Indigent Board</b> (Standing Board)		
	District I	Victoria Flores
	District II	Leona Herrell
	District III	Wayne Gallegos
	District IV	Frank Barr
	District V	Laura Simmons
<b>Emergency Medical Services Board</b>		
(Standing Board – for Rescue Districts)		Jason Gonzales, Rio Grande Estates #1 Chair
Ordinance #99-05		Becky Culp, Los Chavez #7 Vice-Chair
		Justin Reeser, Bosque Farms #5 Secretary
		Tim York, Tome Adelino #2 Member
		Tim Martinez, Valencia El Cerro #3 Member
		Tony Villalovos, Meadow Lake #4 Member
		Lawrence R Romero, County Commissioner
		John Gabaldon, Los Lunas #6 Member
		Manny Garcia, Belen #8 Member
		Andrew Molina, Jarales Pueblitos #9 Member
		Charles Eaton, Valencia County Rep. Member
		Dr. Philip Froman, Medical Director Member
		Alison Lopez, Living Cross Ambulance Member

Notes:  
[1] Standing Board, Commission, or Committee – A policy- making board, etc established by County ordinance, more permanent in nature  
[2] Special Board, Commission, or Committee – An advisory board, etc established by BoCC resolution or motion, anticipated to terminate upon completion of its assigned task(s)  
[3] NMAC Board of Directors representative elected among Valencia County officials annually in the Spring  
[4] NMAC representative selected by voting membership (selected by election)  
R = Representative; A= Alternate

Valencia County -- Board of County Commissioners  
2012 List of Appointments – Boards, Committees, Commissions & Other Positions

Revised: 01/04/2012

<u>Board, Commission or Committee</u>	<u>District</u>	<u>Commission</u> <u>2012 Appointment</u>
<b>Regional Dispatch Board</b>		Louis Burkhard, Sheriff Charles Eaton
<b>County Board of Registration</b> Section 1-4-35 NMSA 1978		Lillie McNabb Amelia Baca Bill Pratt
<b>Mid-Region Council of Governments</b> Board of Directors (2 County members)	R	Mary J. Andersen
Executive Board	R	Lawrence R. Romero
Water Resources Board	R	Mary J. Andersen
Regional Planning Authority (RPO):	R	Jacobo Martinez Donald E. Holliday
VC Transportation Steering Committee	R	Eric Zamora Donald E. Holliday
Regional Transit District Board	R	Eric Zamora Donald E. Holliday
Workforce Investment Board CEO Board	R	Mary Andersen
Mid-West CAP Board	R	Georgia Otero-Kirkham Donald E. Holliday

Notes:  
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[3] NMAC Board of Directors representative elected among Valencia County elected officials annually in the Spring  
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Valencia County -- Board of County Commissioners

2012 List of Appointments – Boards, Committees, Commissions & Other Positions

Revised: 01/04/2012

<u>Board, Commission or Committee</u>	<u>District</u>	<u>Commission</u> <u>2012 Appointment</u>
<b>New Mexico Association of Counties</b>		
Board of Directors [3]	R	Mary Andersen
Multi-Line/Risk Management Board [4]	R	Kenny Griego
	A	Barbara Baker
ML/RMB – Law Enforcement & Detent Adv Com	R	Louis Burkhard
Workers' Compensation Board [4]	R	Kenneth S. Griego
	A	Jacque Chavira
<b>Animal Control Advisory Board    Tabled until 01-25-12 Business Meeting</b>		
(Special Board)		
Georgia Otero-Kirkham, Commissioner		
	District I	<u>Reserve</u>
	District II	Mark Rosenblum
	District III	Tracy Kubitschek
	District IV	Jim Shaw
	District V	Judy Babcock
<b>Older American Advisory Council</b>		
(Special Council)		
(BoCC approves appointment)		
	Wayne Gallegos	City of Belen
	Thomas Curley	Belen Senior Center
	Not filled ( <i>Alternate</i> )	Belen Senior Center
	Michael Jaramillo	Village of Los Lunas
	John Sanchez	Fred Luna Senior Center
	Claudia Martinez ( <i>Alternate</i> )	Fred Luna Senior Center
	Linda Haverly	Del Rio Senior Center
	Barbara Hinojos ( <i>Alternate</i> )	Del Rio Senior Center
	Lillie McNabb	Bosque Farms
	Dorothy Vaughn ( <i>Alternate</i> )	Bosque Farms

Notes:

[1] Standing Board, Commission, or Committee – A policy-making board, etc established by County ordinance, more permanent in nature

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R = Representative; A= Alternate

Valencia County -- Board of County Commissioners

2012 List of Appointments – Boards, Committees, Commissions & Other Positions

Revised: 01/04/2012

<u>Board, Commission or Committee</u>	<u>District</u>	<u>Commission 2012 Appointment</u>
Solid Waste Advisory Committee		Frank Cox
		Bob Gostischa
		Judith White ( <i>Alternate</i> )
		Lucy Romero
		Eileen Stone ( <i>Alternate</i> )
		Kenneth S. Griego
		Bosque Farms
		Meadow Lake
		Meadow Lake
		Town of Peralta
		Town of Peralta
		Valencia County

Solid Waste Advisory Committee

Eric Zamora, Chair  
Paul Alexander, Vice-Chair  
Jackie Farnsworth  
Jim Crawford  
Joan Ariaga  
Virginia Smith

Notes:

[1] Standing Board, Commission, or Committee – A policy-making board, etc. established by County ordinance, more permanent in nature

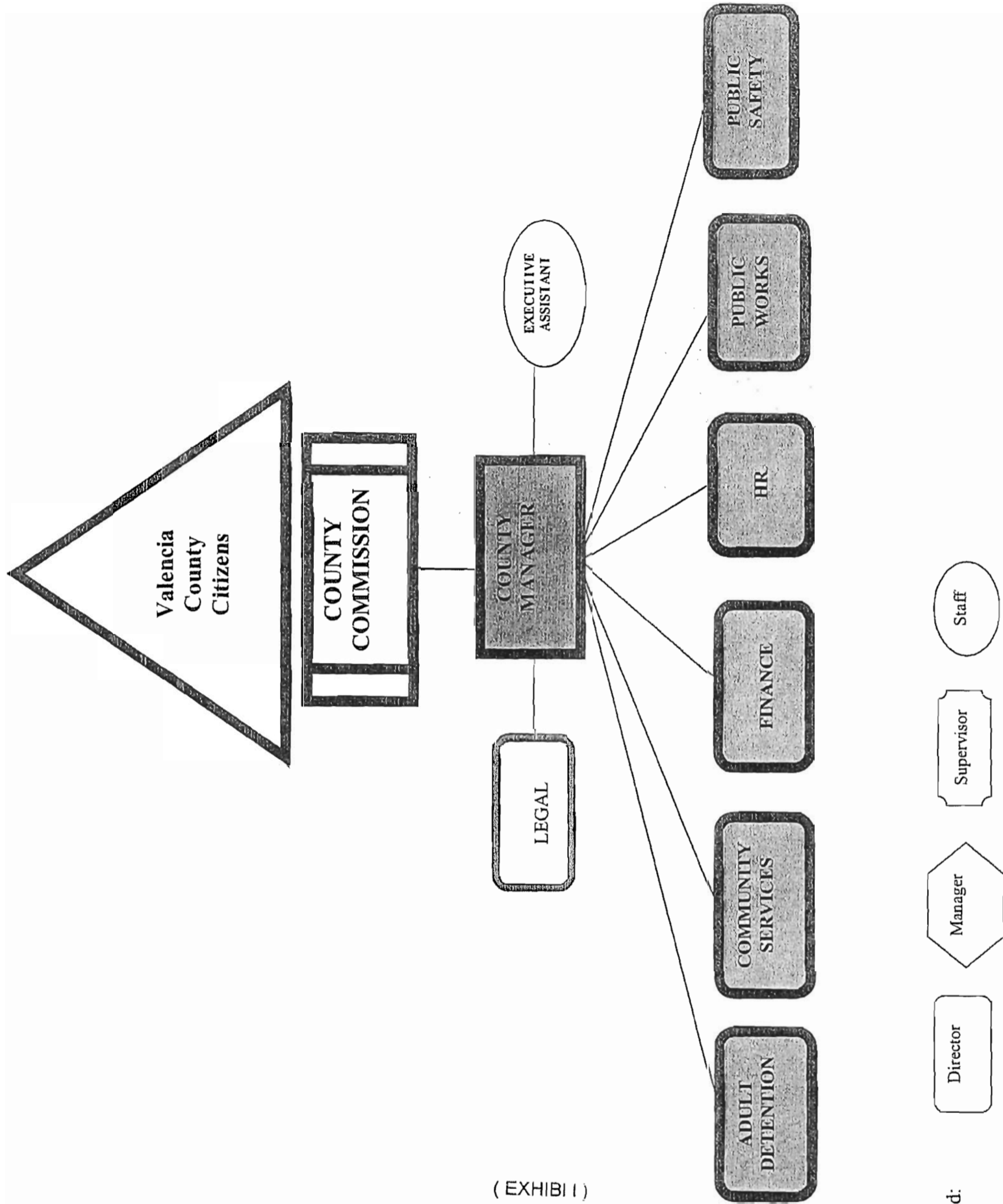
[2] Special Board, Commission, or Committee – An advisory board, etc. established by BoCC resolution or motion, anticipated to terminate upon completion of its assigned task(s)

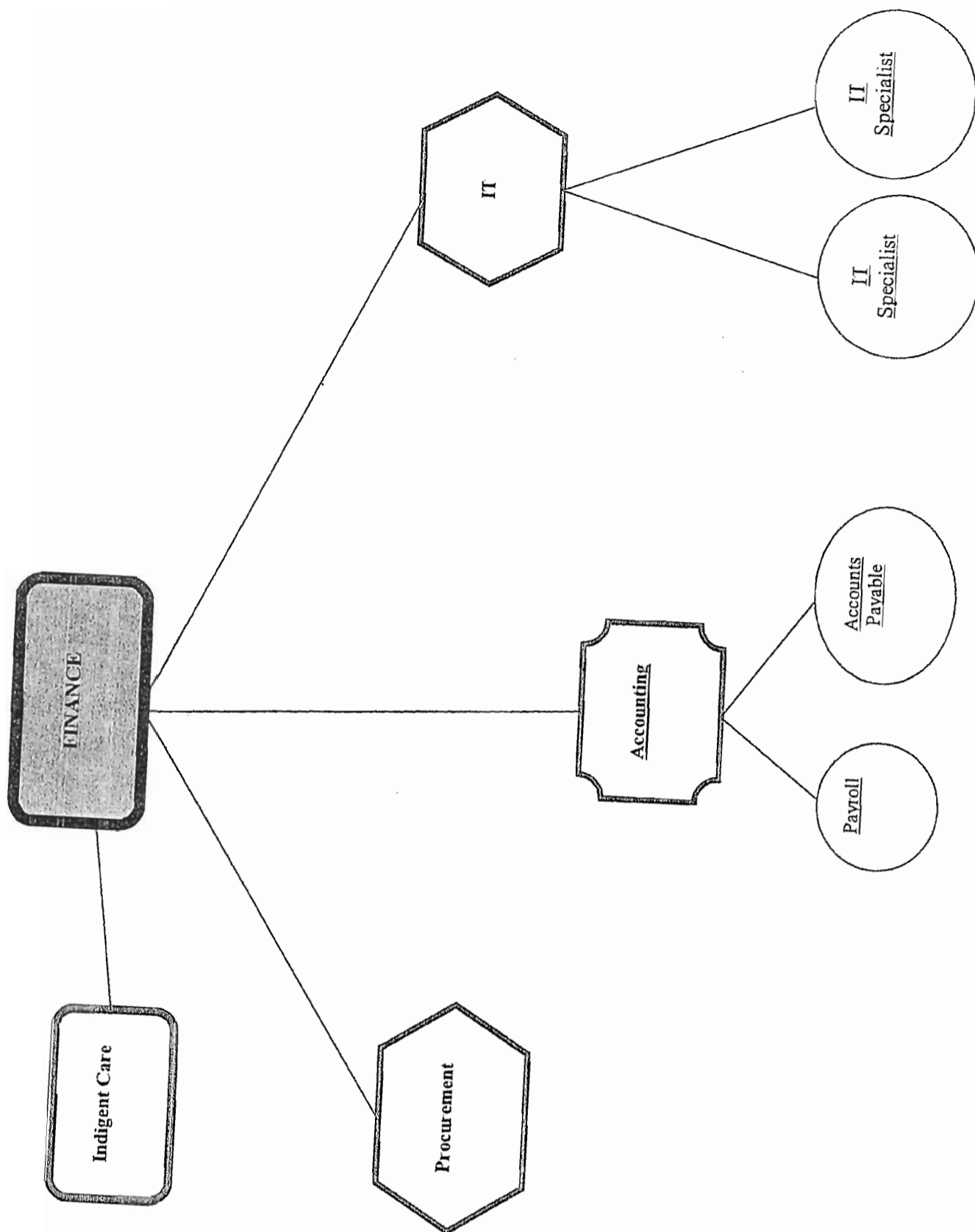
[3] NMAC Board of Directors representative elected among Valencia County elected officials annually in the Spring

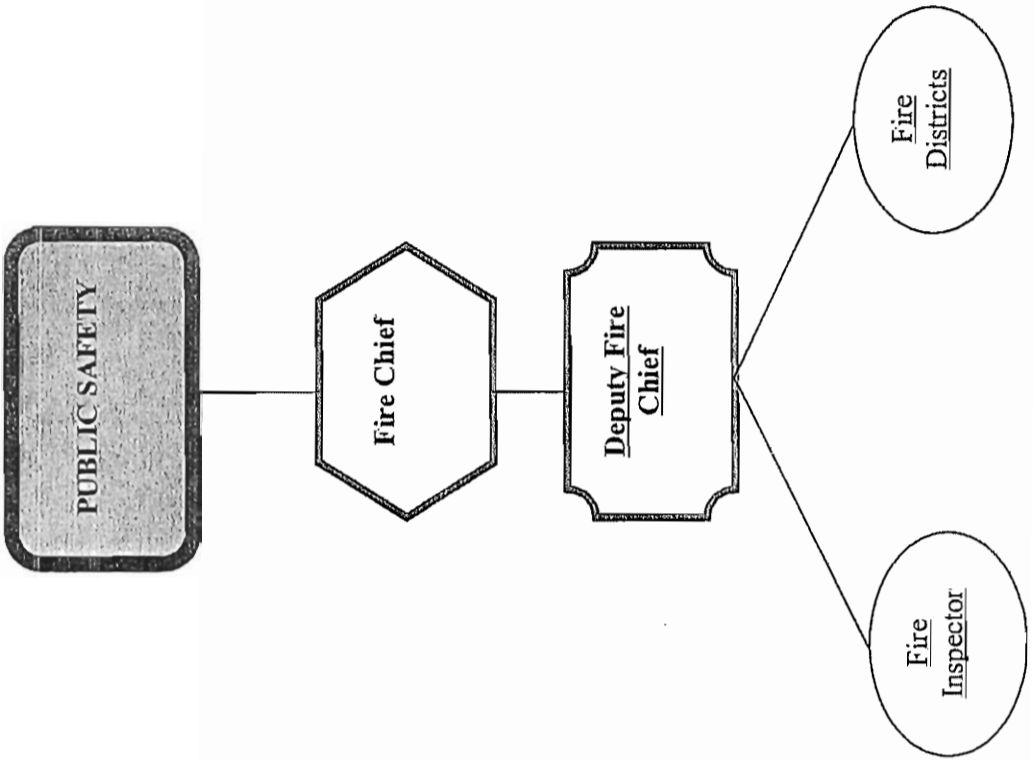
[4] NMAC representative selected by voting membership (selected by election)

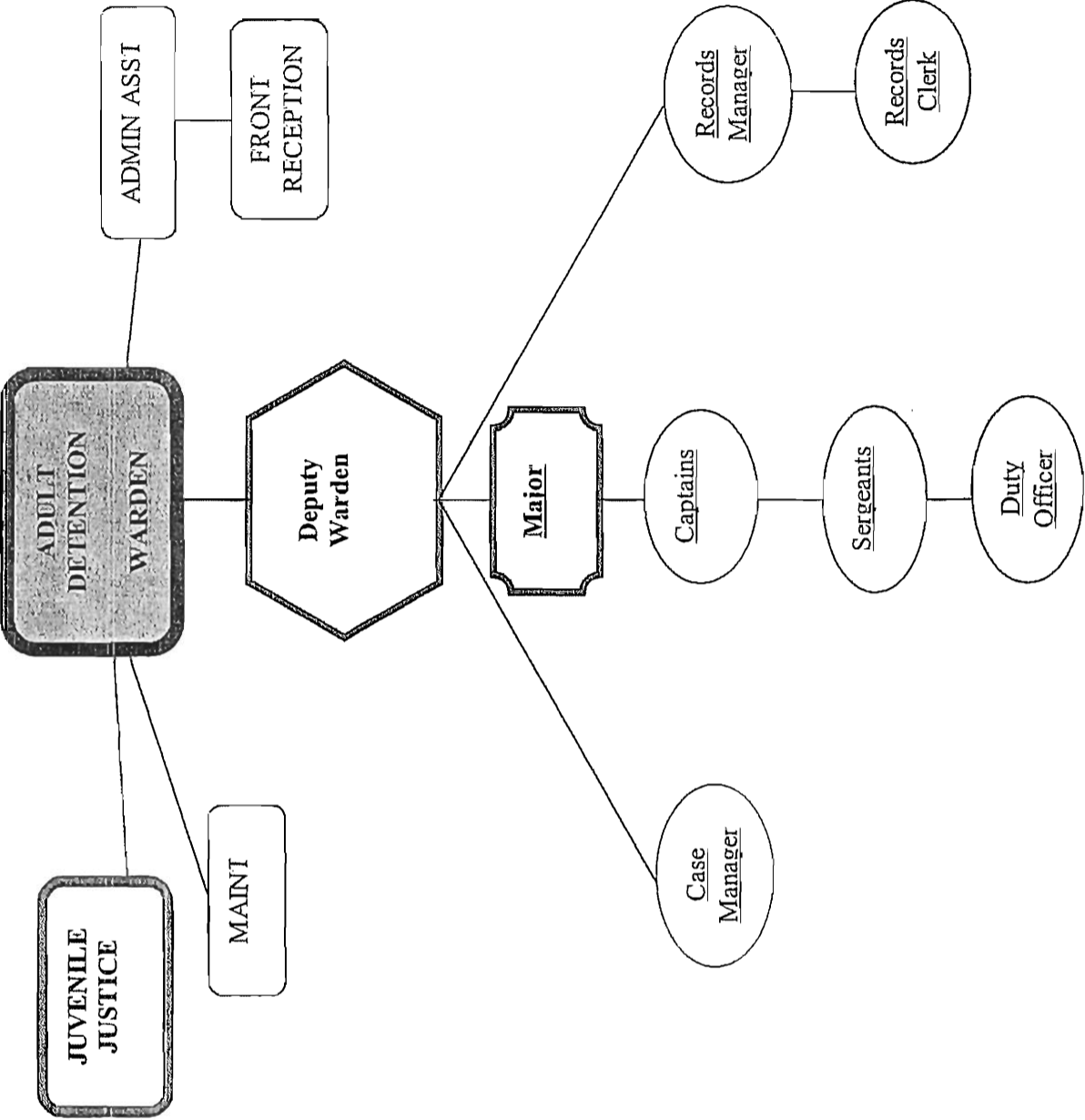
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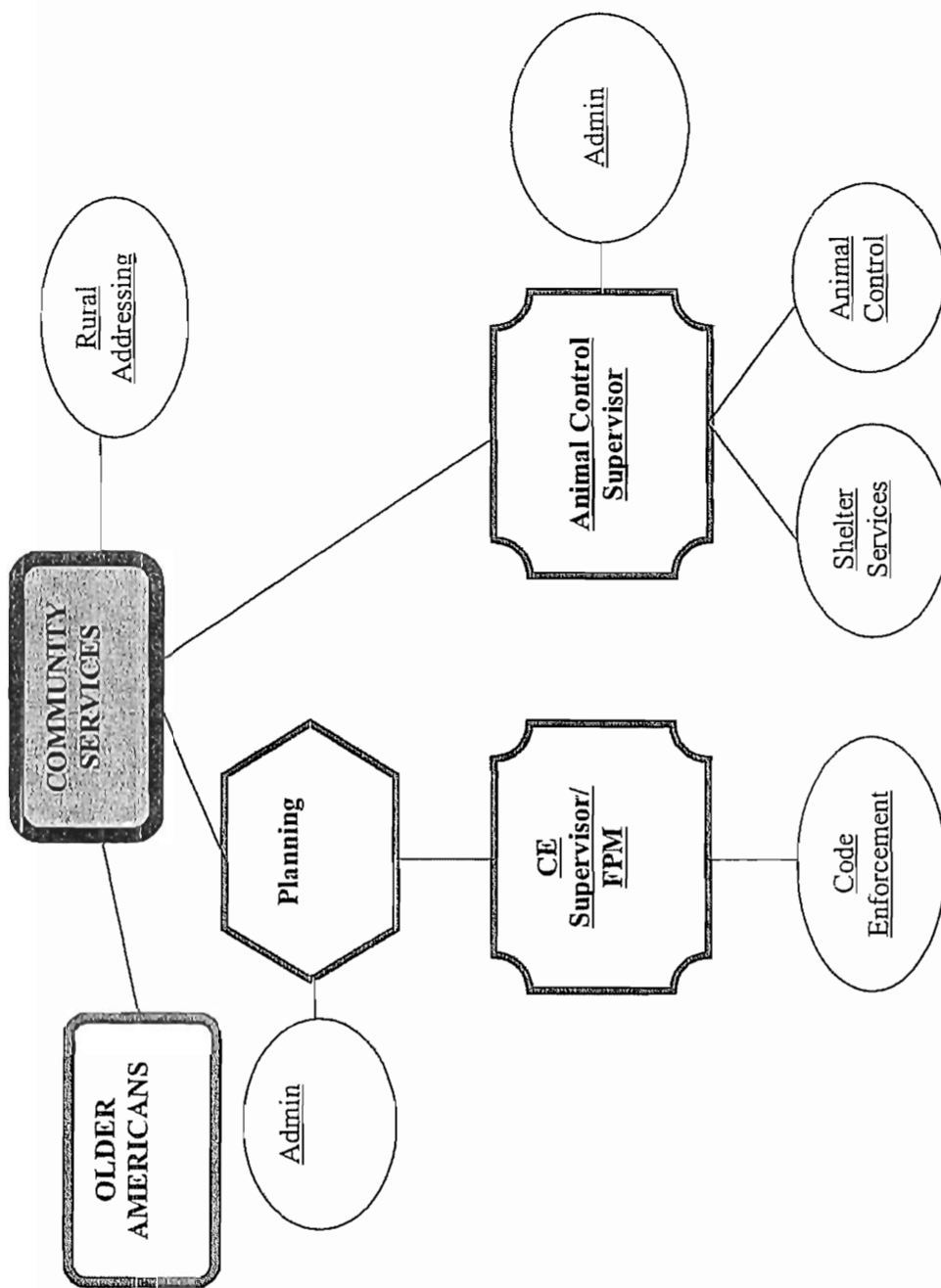
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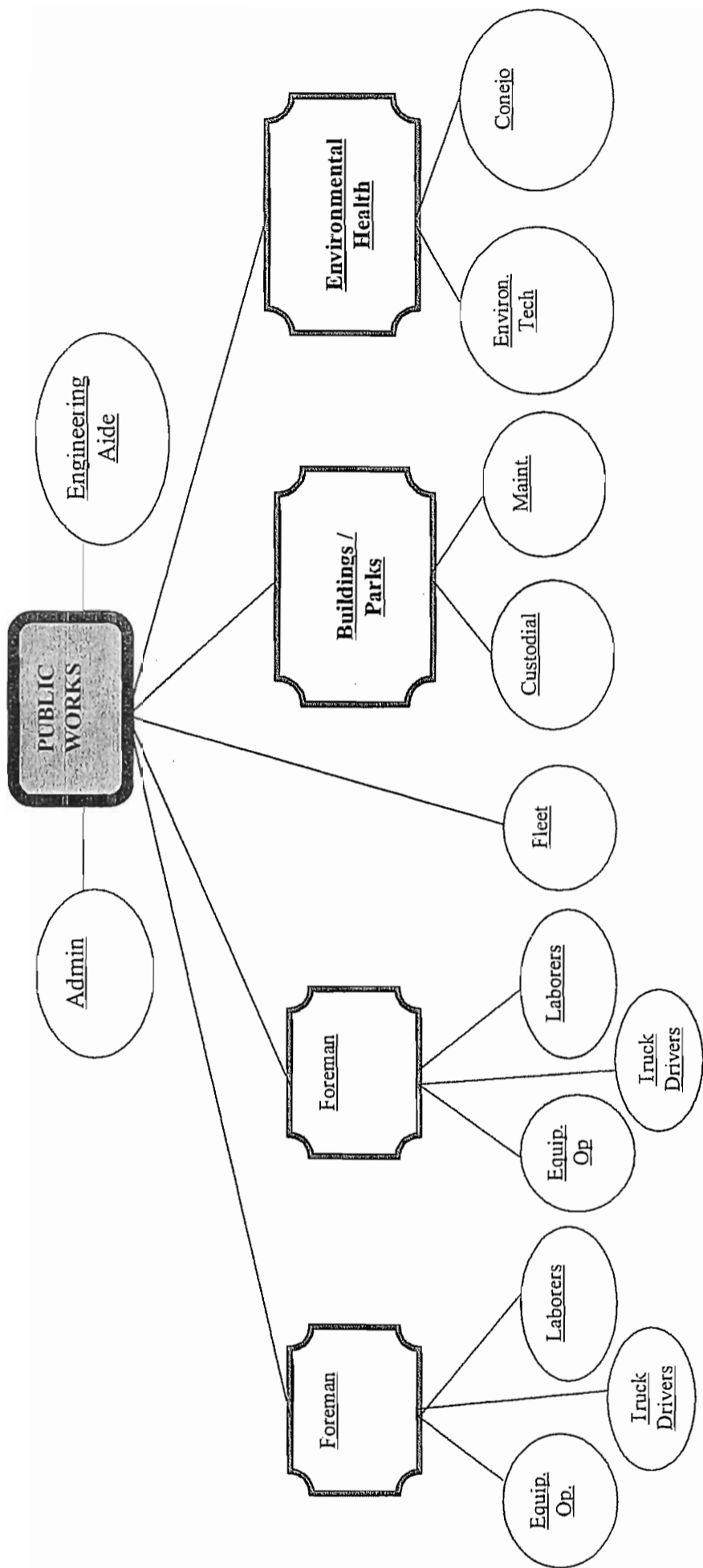


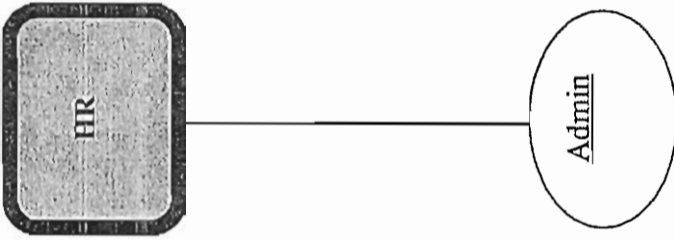












MEMORANDUM OF UNDERSTANDING  
THE COUNTY OF VALENCIA  
AND  
THE VILLAGE OF BOSQUE FARMS

This Memorandum of Understanding between the County of Valencia and the Village of Bosque Farms is entered into by the County of Valencia, a political subdivision of the State of New Mexico, hereinafter called the "County", and the Village of Bosque Farms, a municipal corporation with the State of New Mexico, hereinafter call "Bosque Farms", for the benefit of the Bosque Farms Older American/ Community Center.

**FOR AND IN CONSIDERATION OF** the covenants and agreements herein contained to be kept and performed by the parties, it is mutually understood and agreed as follows:

**A. BOSQUE FARMS AND THE COUNTY MUTUALLY AGREE:**

1. That the purpose for this Agreement is to maintain a collective effort for charitable, educational, community welfare and health and social purposes and in particular to develop and conduct programs and opportunities for older persons with activities which directly or indirectly affect and ameliorate their quality of life.
2. The Bosque Farms Community Center/Senior Meal Site Director shall have the complete responsibility for the operation of the building under the policies adopted by the Village Council and the County.
3. The Bosque Farms Community Center/Senior Meal Site Director, paid by Bosque Farms, will be coordinator of the day-to-day operation of the center, including the nutrition programs as provided by Valencia County's Older American Program (OAP).
4. The Community Center/Senior Meal Site Director, though paid by Bosque Farms, as working under the Older Americans Act will be responsible for the Valencia County's Older American Program during the hours the Community Center is open and will abide by the Valencia County OAP rules and necessary State and Federal regulations.
5. To recognize the Valencia County Older American Program as a viable and integral part of the activities at the Community Center, whose function shall be to act as advisory body to the Community Center/Senior Meal Site Director relative to activities, conditions and problems at the Community Center.
6. To conform with policies adopted by the Valencia County Older American Program and the Bosque Farms Village Council that does not conflict with State and Federal regulations.
7. The Community Center will be used by the General public as authorized by the policy approved by the Village council and scheduled by the Community Center/Senior Meal Site Director.

( EXHIBIT J )

**B. BOSQUE FARMS AGREES:**

1. To hire and pay the salary of a Community Center/Senior Meal Site Director and, if applicable, a part time assistant whose job description is included in the Village of Bosque Farms Personnel Policy. Relief help for the Community Center/Senior Meal Site Director and assistant will be provided by Bosque Farms as funding permits.
2. To hire a Food Service Aide for two hour per day, 10 hour per week. This employee will be covered by the Personnel Policy of Bosque Farms.
3. To provide all necessary furniture, fixtures, equipment including office supplies, garbage and trash containers, except those specifically supplied by the Valencia County OAP.
4. The hours of service at the Senior Meal Site shall be from 10:00 AM to 2:00 PM, Monday through Friday, except legal holidays. The Community Center/Senior Meal Site Director shall follow the legal holidays as specified in the Bosque Farm's personnel policy and/or adopted resolution.
5. To provide all necessary licenses and permits
6. To provide all building, equipment, and bodily injury insurance.
7. To meet all State requirements for food storage and to make sure all working areas are clean and comfortable.
8. To provide janitorial service, related personnel and supplies.
9. To permit periodic inspections of the site by representatives of Valencia County, Federal, State or Local agencies and to comply with all requirements with respect to health, sanitation and safety by such governmental entities having jurisdiction.
10. To indemnify and hold harmless Valencia County from any and all claims and liability arising from any cause whatsoever as a result of the operation of any authorized programs, except those caused by the tortuous conduct of Valencia County.

**C. Valencia County's OLDER AMERICAN PROGRAM AGREES:**

1. To provide cooked meals and kitchen supplies in amounts necessary for the meals during all days of regular operation.
2. To reimburse Bosque Farms for the salary and taxes of the Food Service Aide.
3. To provide the technical assistance necessary for the nutrition and social programs to run successfully.
4. Valencia County agrees to provide food borne illness insurance and New Mexico Environment Department Food Permit.

**D. TERMINATION:**

This Agreement may be terminated by either party hereto upon written notice delivered to the other party at least thirty (30) days prior to the intended date of termination. By such termination neither party may nullify obligations already incurred for the performance or failure to perform to the date of termination.

**E. EFFECTIVE DATE:**

This Agreement shall be effective from the first day of July, 2011 through the 30<sup>th</sup> day of June, 2012 and is subject to renewal every three (3) years.

**Valencia County**

By: Donald Halliday  
Date: January 4, 2012

**ATTEST:**

Sally Perea

**VILLAGE OF BOSQUE FARMS**

By: Alayne Ahe  
Date: 1/6/12

**ATTEST:**

Gayle R. Jones

**APPROVED AS TO FORM**

[Signature]  
County Attorney  
[Signature]  
Village Attorney

# AGREEMENT BETWEEN OWNER AND ARCHITECT

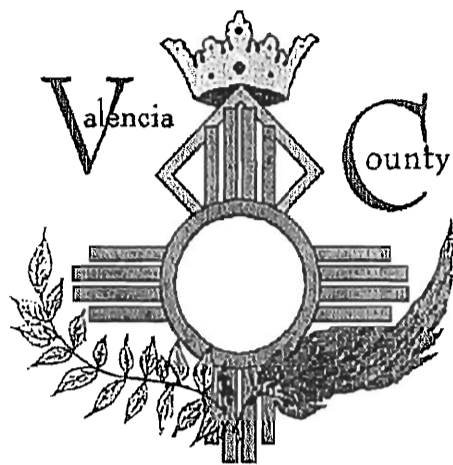
[This Document has important legal consequences; consultation with an Attorney  
is encouraged with respect to its completion or modification]

Project: Belen Senior Center Addition

Contract Number: \_\_\_\_\_

Location: 715 S Main St., Belen, NM 87002

Project Number: \_\_\_\_\_



Distribution to:  
☐ Owner  
☐ Architect  
☐ Other

This Agreement effective upon the date of the last signature below is entered into by and between:

Hereinafter "**Owner**";

VALENCIA COUNTY  
P.O. Box 1119  
444 Luna Ave.  
Los Lunas, New Mexico 87031  
Telephone: 505-866-2014 Fax: 505-866-3355  
Email Address:

And hereinafter "**Architect**";

John Kirkpatrick, RA  
P.O. Box 1473  
Los Lunas, NM 87031  
Telephone: 505-865-0111 Fax: 707- 371 – 0828  
Email Address: jk@kirkpatrickdesigns.com

( EXHIBIT K )

Professional and technical services shall be provided by John Kirkpatrick, the Project Architect, whose New Mexico Architect's seal and certificate number is 004728 and Federal ID Number is 26-3095372.

## TABLE OF CONTENTS

Article 1	Definitions	Article 9	Ownership and Use of Documents
Article 2	Architect's Services and Responsibilities	Article 10	Termination of Agreement
Article 3	User Representative	Article 11	General and Special Provisions
Article 4	Owner's Responsibilities	Article 12	Maintenance
Article 5	Construction Cost	Article 13	Basis of Compensation
Article 6	Reimbursable Expenses	Article 14	Other Conditions or Services
Article 7	Payment to the Architect		
Article 8	Architect's Records & Audit		

## RECITALS

**WHEREAS**, the State of New Mexico Aging and Long Term Services Department has funded this project through contract No. 2009-4927; and

**WHEREAS**, the Architect was selected pursuant to the Architect, Engineer, and Land Surveyor Selection Committee pursuant to Section 13-1-119 through 13-1-124 NMSA 1978; and

**WHEREAS**, the Owner is authorized to enter into a contract to design and construct the Project pursuant to Sections 13-1-100; and

**WHEREAS**, the Owner must hire a legal resident registered architect of New Mexico whenever any public work involves architectural services, pursuant to Section 61-15-9, NMSA 1978; and

**WHEREAS**, the Architect hereby represents that it employs the named Project Architect, and that such architect is a legal resident registered architect of New Mexico; and

**WHEREAS**, the Owner agrees to hire the Architect, and the Architect agrees to provide professional and technical services as required hereinafter for the Project in accordance with the terms and conditions set forth in this Agreement;

**IT IS THEREFORE AGREED AS FOLLOWS:**

### ARTICLE 1 DEFINITIONS

For purposes of this Agreement, the following definitions shall apply throughout the contract and to all attachments incorporated herein, unless otherwise specified.

- 1.1 ARCHITECT: The firm named in this Agreement which employs a legal resident registered architect of New Mexico or an individual legal resident registered architect of New Mexico. In the instance of a firm, the term "Architect" shall include the Project Architect.
- 1.2 CENTRAL PURCHASING OFFICE: The Central Purchasing Office is the Purchasing Agent of the Owner.
- 1.3 CODES: All federal, state, and local codes applicable to the Project.
- 1.4 DIRECT SALARY: The gross wages, which do not include costs of employer beyond the amounts of the paychecks.
- 1.5 GOVERNING AUTHORITY: The governing authority for the award of construction contracts is the Board of County Commissioners, and the governing authority for the execution of construction contracts the Board of County Commissioners.
- 1.6 MACC: Maximum Allowable Construction Cost is the total sum available for construction purposes, including furnishings and equipment, but excluding professional fees, Owner's contingency funds and acquisition costs, and other costs which are the responsibility of the Owner as described in Article 5 and Article 6 of this Agreement.
- 1.7 OWNER: the County of Valencia, State of New Mexico.
- 1.8 PROJECT: The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part. The Project is further defined in article 2 of this agreement. Support services shall include as a minimum: programming, schematic design, design development, construction documents and bidding, contract negotiations, construction administration, project closeout, eleven month warranty inspection, and furniture and equipment.
- 1.9 PROJECT ARCHITECT: The individual legal resident registered architect of the state of New Mexico who shall sign and affix his New Mexico Architect's seal to all plans, designs, drawings, specifications, and reports which involve the Project. The Project Architect shall be mutually agreed upon by Owner and Architect at the time this Agreement is entered into by the parties and shall be named herein.
- 1.10 REIMBURSABLE EXPENSES:  
Expenses in addition to the basic services compensation that shall include actual expenditures made by the Architect or its employees in the interest of the Project (while performing architectural services pursuant to this Agreement) and limited to those items listed in Article 6 of this Agreement and authorized in writing by the Owner.
- 1.11 SITE: The physical location on which the Project is built, including all land acquired for the Project or associated with the Project, including all easements and rights-of-way.
- 1.12 USER (or USER AGENCY): The Owner or designated entity for whose use the Project is being constructed. For purposes of this Agreement, the Users are the Valencia County Senior Program.
- 1.13 USER REPRESENTATIVE: The individual designated by the User with the authority to bind the User with respect to this Agreement. See also Article 3 herein. For purposes of this Agreement, the User Representative is: Kenneth Griego, Valencia County Business Manager.

1.14 OTHER DEFINITIONS: The remaining definitions are in Article 1, Definitions, of the conditions of the Contract for Construction, as provided as a part Owners Division 0, Bidding and Contract Requirements, on file with the Owner.

## **ARTICLE 2**

### **ARCHITECT'S SERVICES AND RESPONSIBILITIES**

2.0 EXTENT OF AGREEMENT AND SCOPE OF WORK: This Agreement includes the provisions of the Request for Proposals for Architectural Services, Project Title, and RFP Number: 183 the architect's proposal, and all documents attached thereto and all documents attached thereto and all of which are hereby incorporated by reference as part of his Agreement s it if fully set forth herein. In case of conflict, the documents supersede each other in accordance with the following hierarchy: codes and applicable law, the body of this Agreement, and attachments to this Agreement.

Description of Scope: The Scope of Work shall include, but not be limited to the following: The interior remodel of the existing facility. Improvements shall be made to the kitchen and dining areas. Work will also include the removal of existing office partition to create a more open environment, ADA upgrades to the toilet rooms, and other interior remodeling to improve overall circulation and function. Work will also include a complete or partial reroof of the existing facility.

The Owner will provide program and operational support through all phases of the project. The Owner may elect to provide overall project management. Owner reserves the right to revise the scope of work or the MACC for this project and adjust the fee accordingly.

2.0.1 BASIC SERVICES: The Architect's basic services shall consist of the following:

- A. Programming Phase
- B. Schematic Design Phase
- C. Design Development Phase
- D. Construction Documents Phase
- E. Bidding or Negotiation Phase
- F. Construction Phase
- G. Project Closeout

The services to be provided during each phase are listed below and shall include all consulting services required by the Architect to provide the service.

2.0.2 The Architect shall request from the User Representative the following:

- A. Information sufficient for the Architect to develop program criteria including the User's goals, objectives, and needs, and the organizational chart of individuals and equipment that shall occupy the Project.
- B. To the extent practicable and reasonable, the Architect shall incorporate the User Representative's requests into the documents for construction; however, the Architect is responsible solely to the Owner for the types of material incorporated into the construction, the size of the facilities constructed, and to design within the MACC.

- C. A list (by manufacturer and model number) of special equipment (other than 110 volt, 60HZ, requiring less than 10 amps) that requires utility services, including telecommunication equipment such as data transmission and computer lines, which shall be designated by the Owner.

2.0.3 FURNISHINGS AND EQUIPMENT: The Architect shall provide as a basic service all required work for design, selection, and preparation of contract documents, and bidding for the procurement of furniture, furnishings, and related equipment, unless otherwise noted in Article 14.

2.0.4 PROJECT LEGISLATION OR AUTHORIZATION: The Architect shall request from the Owner and the User copies of documents supporting the funding request which were presented to the state legislature or other funding agencies that provided funds for construction of the envisioned facility. These documents will be furnished for information only. The Owner will establish a budget for utilization by the Architect in the performance of the services.

2.0.4.1 APPROPRIATIONS: The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the state Legislature or the Board of County Commissioners of Valencia County for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Owner, this Agreement shall terminate upon written notice being given by the Owner to the Architect. The Owners determination that sufficient appropriations and authorizations are not made by the Owner, this agreement shall terminate upon written notice being given by the Owner to the Architect. The Owner's determination that sufficient appropriations are not available shall be accepted by the Architect and shall be final.

2.0.5 SOILS ENGINEERING: The Architect shall acquire the services of a Soils Engineer or other consultant when the Architect deems such services necessary. The Architect shall, during the Schematic Design Phase, submit to the Owner a statement of necessary soils engineering services that will be required.

2.0.6 SOFTWARE REQUIREMENTS:

- A. Drawing Formats. All CAD drawings shall be supplied in DWG format and be readable y the Owner-supported CAD desktop software. Being 'readable' means the ability to open a file without any errors (such as proxy, font substitution, etc.) and with objects, layers, and other file properties remaining intact.
- B. Other Formats. File formats for word processor documents, spreadsheet documents, or slide presentations shall be those used by the Microsoft family of office software such as Word, Excel, and PowerPoint. Contract the Owner for Version. Macros may be included with these documents provide they are virus free, their function is explained next to the code, and they are not protected.
- C. Graphics shall be submitted in TIF, GIF, JPG, CALS, or PDF file format (compressed image formats only). This option is intended for photos, conceptual sketches, etc., and not to indicate the raster file drawing will be accepted in place of AutoCAD DWG files.
- D. Data file formats for projects that employ information contained in a database or spreadsheet shall be those used by one of the following: Oracle, Microsoft Access, Microsoft SQL, or Microsoft Excel. All linkages or non-graphical data with graphic elements, relationships between database tables, and report formats shall be maintained. All database tables shall conform to the structure and field naming guidance provided by the Owner. The Architect shall confirm database file format preference with the Owner prior to issuance of a database.

- E. File formats for project management documents shall be either that used by Microsoft Project or hard copy. Confirm file format with the Owner. Save project files with baseline.
- F. Deliverable integrating multiple file formats may be submitted as a PDF (version 4 or later) in addition to the base file structure. Examples include reports, photographs, and manuals created by using a variety of software packages and file formats. Confirm deliverable format preference with the Owner.
- G. Building Information Modeling (BIM). Projects and project teams are encouraged to utilize 3D object model and other building information model technology and software applications (including during project states of planning, design, construction, and handover to space management and facility operations and maintenance). Outputs from these applications are acceptable as deliverables to Owner, provided the 2D output is also submitted that fully complies with all provisions herein.

2.0.7 STANDARD OF CARE: The Architect warrants that he and his employees shall possess the experience, knowledge, and character necessary to qualify them individually for the particular duties they perform in connection with the services to be performed under this Agreement. These services shall be performed in accordance with the standards of the profession. The Architect further agrees that he will require his consultants, sub-consultants, joint venturer, and agents to warrant to the Architect that they possess the experience, knowledge, and character necessary to qualify them individually for the particular duties that are performed in connection with the services to be performed for the Architect on the Project. This warranty shall further state that the services so entered shall be performed in accordance with the standards of the profession. Such warranty by consultants, sub-consultants, joint venturer, and agents shall not be construed as a diminution of the Architect's liability and responsibilities to the Owner.

## 2.1 PROGRAMMING PHASE

2.1.1 The program shall establish goals, collect facts, identify concepts, and determine functional needs necessary to complete the Project within the legislative mandate. Based on the data provided by the User Representative and pursuant to adequate consultation with the User Representative, the Architect shall prepare a document that adequately defines the scope of the Project. This document shall reflect the limits of the MACC.

2.1.2 Not Used.

2.1.3 The Owner and the User Representative shall work with the Architect to ensure that the information required by the Owner is made available to the Architect. This information and other requests concerning organization of functions shall be provided in the form of written memoranda.

2.1.4 The Owner shall schedule a meeting between the Architect and the User Representative to define the relationship among all parties. The Architect shall advise the Owner, in writing, of any information he requires which has not been provided by the Owner and/or the User Representative, or any conflicts between the established program requirements, the MACC, and the legislation authorizing the Project.

2.1.5 The Architect shall obtain the approval of the User Representative and the Owner, in writing, of the Program Phase before commencing work on the Schematic Design Phase. The Architect shall provide written confirmation, to be transmitted with the Program Document to the Owner, that the Architect has visited the site, familiarized himself/herself with the local conditions under which the work is to be

performed, correlated his/her observations with current code requirements and life safety needs, and has a clear understanding of existing conditions for the Project.

## **2.2 SCHEMATIC DESIGN PHASE**

2.2.1 From the approved program, the Architect shall prepare Schematic Design drawings and documents describing the general planning concepts, probable architectural, engineering, and building systems, types of materials envisioned a breakdown of the budget on current area, volume, or other unit costs, and the approximate dimensions of the programmed areas. The Architect shall obtain the written approval of the User Representative and the Owner of the Schematic Design drawings and documents before commencing work on the Design Development Phase. The current State-adopted Uniform Building Code (UBC) and other relevant codes are incorporated into this Agreement by reference. Where applicable, the provisions of this document shall apply. The Architect shall brief and obtain the written approval of the User Representative and the Owner of the Schematic Design drawings and documents. This review and approval shall include the life cycle costs required by Subparagraph 12.1.4 of this Contract.

2.2.2 The Architect shall request site survey data in accordance with Paragraph 4.2.

2.2.3 The responsibility for bringing the Project within the MACC and compliance with construction directives remains with the Architect, as elaborated in Subparagraph 5.2.2. Should the Architect at any time conclude that the budget and the scope of the work to be accomplished are incompatible; the Owner shall be notified immediately in writing, with proposed recommendations to reconcile the incompatibility.

## **2.3 DESIGN DEVELOPMENT PHASE**

2.3.1 From the approved Schematic Design drawings and documents, the Architect shall prepare the Design Development Documents consisting of drawings, outline specifications, and other documents to fix and describe the size and character of the entire Project as to structural, mechanical, and electrical systems materials and such other design essentials as may be appropriate. Additionally, these documents shall identify design features, program modifications, the probable Project Schedule, equipment installed in the Project or furnishings required, and a statement, which identifies the need for any additional data, surveys, or tests. The Architect shall acquire the approval, in writing, of the User Representative and the Owner of all documents associated with the Design Development Phase before commencing work on the Construction Documents Phase.

2.3.2 The Architect shall submit to the Owner for review and written approval a refined statement of Probable Construction Cost at the completion of the Design Development Phase. Should the Architect conclude, at any time, that the budget and the scope of the work to be accomplished are incompatible; the Owner shall be notified immediately in writing, with proposed recommendations to reconcile the incompatibility.

2.3.3 Should the Owner initiate or require a material change from the approved Design Development Documents and there is no fault or responsibility of the Architect related to the Owner's initiation or requirement of the change, the Architect's effort implementing said change(s) shall be compensated as an Additional Service and the schedule for delivery of Architect's services shall be equitably adjusted if/as appropriate.

## **2.4. CONSTRUCTION DOCUMENTS PHASE**

2.4.1 From the approved Design Development Documents, the Architect shall prepare Bidding Documents setting forth in detail the requirements for the construction of the entire Project, which shall at a minimum include bid forms, the Conditions of the Contract for Construction (general, supplementary, and other conditions of the contract), and the Standard Form of Agreement between Owner and Contractor. The Architect shall incorporate in the Bidding Documents the provision of Information Available to Bidders incorporated by reference. The Invitation to Bid shall be prepared by the Architect or as directed by Owner, the bid date and time, which shall be prepared by the Owner and Architect. The Architect shall assist the Owner in filing the required documents for the approval of governmental and other authorities having jurisdiction over the Project.

2.4.1.1 Construction Drawings: In addition to the electronic CAD files, PDF files and related electronic documents, the Architect shall provide two full drawing sets to the Owner. The copy should be printed on non-glossy polyester film 3-mil thickness minimum. Standard Sheet sizes may be Architectural sizes 24" x 36" or 30" x 42".

2.4.1.2 Electronic Data: The Owner requires that final Construction documents and Specifications are prepared using computer technology in the formats prescribed in Subparagraph 2.0.6.

2.4.2 The Bidding Documents shall be based upon information contained in the Design Development Drawings and other documents previously approved by the Owner. Upon completion of the Bidding Documents, the Architect shall brief the User Representative and the Owner on the Bidding Documents, specifically addressing previously approved requirements contained in the Design Development Drawings and other documents. The Architect shall, at this briefing, furnish to the Owner a detailed cost estimate.

2.4.3 The responsibility for bringing the Project within the Maximum Allowable Construction Cost (MACC) and compliance with construction directives remains with the Architect, as elaborated in Article 5. Should the Architect at any time conclude that the budget and the scope of the work to be accomplished are incompatible; the Owner shall be notified immediately in writing, with proposed recommendations to reconcile it.

2.4.4 The Architect shall furnish Bidding Documents to the Owner bearing the approval of the following:

- A. Construction Industries Division, Regulation and Licensing Department;
- B. If applicable, Occupational Health and Safety Bureau, Environmental Improvement Division, Health and Environment Department;
- C. If applicable, the Licensing and Accreditation Division, Health and Environment Department; and
- D. If applicable, Food Quality Section, Environmental Improvement Division, Health and Environment Department;
- E. If applicable, the New Mexico Environment Department;
- F. If applicable the Energy, Minerals, and Natural Resources Department

2.4.5 The Architect shall provide a signature-approval block on the front sheet of the drawings and specifications for

- A. User Agencies,
- B. the County Manager, and
- C. Utility companies (as appropriate).

Review and signatures of all shall be obtained by the Architect.

2.4.6 Only materials and systems available at the time of this Agreement or reasonably believed to become available prior to the expiration of the Construction Contract shall be specified in the Contract Documents. The Bidding Documents shall include a list of those items (or categories of items) for which shop drawings or submittals are required.

2.4.7 Any fees incurred in the preparation of the detailed cost estimate(s) provided by the Architect shall be paid by the Architect.

2.4.8 Project Wage Rate Determination: The Architect shall request from the state Labor and Industrial Division a minimum wage rate determination for the Project pursuant to Section 13-4-11, NMSA 1978. The Architect shall provide the Division a description of the Project, an estimate of construction cost, an approximate bid opening date, and any other pertinent information required by the Labor and Industrial Division. The Architect shall include the wage rate determination in the Bidding Documents.

## **2.5 BIDDING PHASE**

2.5.1 The Architect, following the Owner's written approval of the Bidding Documents, shall assist the Owner in obtaining bids and in awarding and preparing contracts for construction. The finalized Invitation to Bid shall be prepared by the Owner and forwarded to the Architect for bidding purposes. The Owner shall issue a purchase requisition authorizing advertising for this Project.

2.5.2 The Architect shall provide sets of Bidding Documents as required to the Owner, sets as required by the reviewing agencies, and sets as appropriate to all prime Bidders requesting documents for bidding purposes. Prime Bidders shall be defined as General Contractors, major subcontractors as listed in the form; or other major suppliers.

2.5.2.1 The Architect shall provide an additional number of documents to be placed in plan rooms as well as in the Architect's office for review by prospective Bidders.

2.5.2.2 The Architect shall also make sets available to other prospective parties as requested. The Architect may charge the cost of reproduction to the party requesting the documents.

2.5.3 The Architect shall clarify and answer any questions about the Bidding Documents during the bidding process and shall issue Addenda as required to all Bidders, the Purchasing Office, the Owner, and the User(s).

## **2.6 CONSTRUCTION PHASE -- ADMINISTRATION OF THE CONSTRUCTION CONTRACT**

2.6.1 The Construction Phase will commence with the award of the Contract for Construction and continues until the eleven-month inspection and report is submitted by the Architect and approved by the Owner.

2.6.2 The Architect shall provide administration of the construction contract as required and defined in the Conditions of the contract for Construction. The extent of the Architect's duties and responsibilities and the limitations of his authority there under shall not be modified without the Owner's written consent.

2.6.3 The Architect shall be the representative of the Owner during the Construction Phase and shall advise and consult the Owner. Instructions to the Contractor shall be forwarded only through the Architect.

The Architect shall have authority to act on behalf of the Owner only to the extent provided in the Contract Documents and any amendments thereto.

2.6.4 The Architect shall at all times have access to the Work, whether it is in preparation or progress.

2.6.5 The Architect shall submit to the Owner, for approval, a list of critical inspection points based upon the construction schedule furnished by the Contractor. The Architect shall make periodic visits to the site at such other times as appropriate during the progress of the Work for the purposes of notifying the Owner on the progress and condition of the Work and to adequately represent the Owner. Additionally, the Architect shall familiarize himself with the progress and quality of the Work and determine if the Work is proceeding substantially in accordance with the Contract Documents. On the basis of on-site observations, the Architect shall guard the Owner against defects and deficiencies in the construction. Should the Architect determine that any portion of the Work varies from the requirements of the Contract Documents, he shall immediately notify the Contractor and the Owner of the nature of the work required to correct such non-compliance. In addition, the Architect shall, eleven months after substantial completion, schedule a meeting with the Owner and User and Project Engineers to evaluate the building and its operations; inspect architectural and engineering systems; and endeavor to discover defects in materials, equipment, and workmanship.

2.6.6 The Architect shall provide a minimum of weekly on-site inspections during the construction phase in an attempt to guard the Owner against defects and deficiencies in the construction, in addition to critical inspections and other inspections required by the progress of the Work. The results of all inspections shall be documented in field reports submitted to the Owner within seven days of each such inspection.

2.6.7 The Architect shall not have control or charge of and shall not be responsible for construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, for the acts or omissions of the Contractor, subcontractors, or any other persons performing any of the Work, or for the failure of any of them to carry out the Work in accordance with the Contract Documents.

2.6.8 The Architect shall determine, certify, and make recommendations to the Owner for payment of the amounts owing to the Contractor subject to the Owner's approval, based on observations at the site and on evaluations of the Contractor's Applications for Payment. The Architect shall issue Certificates for Payment in such approved amounts as provided in the Contract Documents.

2.6.9 The issuance of a Certificate and recommendation for payment shall constitute representation by the Architect to the Owner, based on the Architect's observations at the site as provided in Subparagraph 2.6.5 and on the data comprising the Contractor's Application for Payment, that the Work has progressed to the point indicated; that the quality of the Work is substantially in accordance with the Contract Documents (subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to the results of any subsequent tests required by or performed under the Contract Documents, to minor deviations from the Contract Documents correctable prior to completion, and to any specific qualifications stated in the Certificate for Payment); and that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment shall not be a representation that the Architect has made any examination to ascertain how and for what purpose the Contractor has used the money paid on account of the Contract Sum.

2.6.10 The Architect shall render interpretations of the documents necessary for the proper execution or progress of the Work with reasonable promptness on written request of either the Owner or the Contractor, and shall render written decisions within a reasonable time on all claims, disputes, and other matters in

questions between the Owner and the Contractor relating to the execution or progress of the Work or the interpretation of the Contract Documents.

2.6.11 Interpretations and decisions of the Architect shall be consistent with the requirements and intent of the Contract Documents and shall be in written or graphic form.

2.6.12 The Architect's decisions in matters relating to artistic effect shall be final if consistent with the requirements of the Contract Documents.

2.6.13 The Architect shall have authority to reject Work, which does not conform to the Contract Documents. Where rejected Work is not promptly corrected, the Architect shall recommend to the Owner that the Work shall stop. Whenever, in the Architect's professional opinion, it is necessary or advisable for the implementation of the intent of the Contract Documents, the Architect will have authority to require special inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not such Work be then fabricated, installed, or completed.

2.6.14 The Architect shall review the Contractor's submittals, such as shop drawings, product data, and samples, but only for conformance with the design concept of the Work and with the information given in the Contract Documents; and, for each submittal, the Architect shall designate in writing that the Architect

- A. Takes no exception to this submittal,
- B. Rejects the submittal,
- C. Requires corrections as noted by the Architect,
- D. Requires revisions and resubmitted to the Architect,
- E. Requires the Contractor to submit the specified item, or
- F. Approves as corrected.

Such action shall be taken with reasonable promptness so as to cause no delay. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

2.6.15 All Change Orders, defined in the Conditions of the Contract for Construction, shall be prepared by the Architect. Such Change Orders shall not become effective or binding on the Owner or Contractor until signed by the Owner and others whose signatures are required therein. The Change Order shall be initiated by the party requesting a change. Approval in writing by the Owner of a completed Change Order modifies this Contract to the extent indicated. No Work which could reasonably be expected to alter the contract price or materially alter the Project shall be undertaken until the Owner has approved a completed Change Order which outlines the desired change. Any deviation from the above shall be considered a material breach of this Contract. The Owner reserves the right to seek remedy from the Architect for Change Orders made necessary due to the Architect's errors and omissions.

2.6.16 Upon prior notice to the Owner, the Architect shall conduct inspections to determine the Dates of Substantial Completion and Final Completion. The Architect shall obtain and forward to the Owner for the Owner's review written warranties and related documents required by the Contract Documents and assembled by the Contractor. The Architect shall then issue a final Certificate for Payment.

2.6.17 The extent of the duties, responsibilities, and limitations of authority of the Architect as the Owner's representative during construction shall not be modified or extended without written consent of the Owner and the Architect.

2.6.18 Should the Architect, his staff, or his consultants direct the Contractor or his Subcontractors to undertake work for which additional compensation could reasonably be expected, and if such work is not

- A. An emergency endangering life and property,
- B. Required by the Contract Documents, or
- C. Required by approved Change Orders (signed by the Architect, the Owner, and the Contractor),

payment for such work, if accomplished without written authorization, shall not be borne by the Owner and shall constitute adequate grounds for dismissal or other action against the Architect.

2.6.19 As part of the Architect's Basic Services, the Architect shall modify the original reproducible drawings and the Project Manual, delineating recorded built conditions of the Project or record documents compiled from the records of the Contractor and the Architect, showing all changes in the Work. This set of Documents shall also include record documents showing actual location of all Work. The Architect shall provide two sets of the modified Documents to the Owner.

2.6.20 Record Drawings: Record drawing and documents are to be delivered to the Owner within 15 days following Substantial Completion of the project by the Architect. Record Drawings shall be produced by the Architect and shall consist of a set of reproducible drawing sheets, based on a Mylar format, specifications on 8 ½ x 11 in. paper and shall provide all the As-build conditions documented by the Contractor for the project. The Architect shall also provide to the Owner a set of PDF drawing files and CAD drawing files formatted on CD-ROM with file format to follow the standard utilized by the Owner at the time of this Agreement. The CD-ROM files shall duplicate the conditions documented on the Mylar Record Drawings. Further, the Architect shall deliver three (3) sets of the operations and maintenance manuals, hard copy and electronic; written warranties and related documents.

## **2.7 PROJECT CLOSEOUT**

2.7.1 Project closeout services will include one design process analysis meeting to assess implementation of sustainable design and construction requirements into the project and review any lessons learned from the overall efforts.

## **2.8 PROJECT REPRESENTATION BEYOND BASIC SERVICES**

2.8.1 Architect's Project Representative: If the Owner and the Architect agree that more extensive representation for inspection of the Site than that described in Subparagraph 2.6.5 shall be provided, the Architect shall, upon written authorization of the Owner, provide one or more Project Representatives to assist the Architect in carrying out such responsibilities at the site.

2.8.2 Subject to the Owner's approval, an Architect's Project Representative shall be selected, employed, and directed by the Architect. The Architect shall be compensated therefore as mutually agreed between the Owner and the Architect as set forth in an approved amendment to this Agreement which shall, in addition, describe the duties, responsibilities, and limitations of authority of such Project Representative(s).

2.8.3 Through the inspections of such Project Representative(s), the Architect shall provide further protection for the Owner against defects and deficiencies in the Work to determine that the Work is carried out in conformance with the plans and specifications; but the furnishing of such project representation shall not diminish the rights, responsibilities, or obligations of the Architect as described in this Agreement.

2.8.4 The Owner reserves the right to designate an Owner Representative in lieu of an Architect's Project Representative to provide additional site representation for the Owner beyond that provided by the Architect. If the Owner elects to provide an Owner Representative in lieu of a Project Representative, this subsection shall not diminish the rights, responsibilities, or obligations of the Architect established in this Agreement. The Owner Representative's duties and limits of authority shall be established so as not to conflict with those of the Architect. The Architect shall cooperate with the Owner Representative in the performance of his duties.

2.8.5 The Owner reserves the right to employ an independent cost consultant to provide value and cost engineering services on the Project. If a cost consultant is retained, an amendment to this Agreement will be required identifying the duties and limits of authority of the cost consultant. The Architect shall cooperate with the cost consultant in the performance of the cost consultant's duties.

## **2.9 ADDITIONAL SERVICES**

The following Services shall be provided when authorized in advance in writing by the Owner, and they shall be paid for by the Owner as provided in Paragraph 13.3.

2.9.1 Providing planning surveys, site evaluation, environmental impact studies, or comparative studies prospective sites other than those services required under Basic Services to provide a complete and operable facility.

2.9.2 Providing as-built drawings of existing facilities, and site surveys which are not provided by the owner as detailed in Paragraph 4.2.

2.9.3 Making revisions in drawings, specifications, or other documents when such revisions are inconsistent with written approvals or instructions previously given and are due to causes beyond the control or not the responsibility of the Architect. This does not apply to revisions necessary for final approval of Programming, Schematic Design Studies and Statement of Project scope, and Design Development Documents, or to revisions necessary to bring the Project within the designated MACC. The Architect shall receive written authorization from the Owner before commencing work on any change or alteration to the Contract Documents.

2.9.4 Preparing drawings, specifications, and supporting data and providing other services in connection with Change Orders, provided that the adjustment in the Basic Compensation resulting from the adjusted Construction Cost is not for work which should have been provided pursuant to Basic Services and provided that such Change Orders are required because of causes not related to the actions or responsibilities of the Architect.

2.9.5 Conducting investigations, surveys, valuations, inventories, or detailed appraisals of existing facilities when such work is not covered by this Agreement.

2.9.6 Providing consultation concerning replacement of any Work damaged by fire or other cause during construction and furnishing services as may be required in connection with the replacement of such Work.

2.9.7 Providing tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, test for air and water pollution, and tests for hazardous materials.

2.9.8 Providing financial feasibility or other special studies.

## **2.10 TIME**

2.10.1 The Architect shall perform Basic and Additional Services as expeditiously as is consistent with professional skill and care and the orderly progress of the Work. The Architect shall submit, for the Owner's approval and as a part of this Contract, a schedule for the performance of the Architect's services and shall include allowances for periods of time required for the Owner's review and approval of submissions and for approvals of authorities having jurisdiction over the Project. This schedule, when approved by the Owner, shall not, except for reasonable cause not within the control of the Architect, be exceeded by the Architect. Failure of the Architect to perform within this schedule except through authorized extensions thereto shall constitute a basis for termination and/or withholding of payment until schedule compliance is achieved by the Architect.

2.10.2 Time of Essence: All time limits stated in this Agreement are of the essence in the performance of this Agreement.

2.10.3 Term: This Agreement shall terminate 48 months from the date of approval by the Owner unless terminated sooner pursuant to Article 10 of this Agreement.

## **ARTICLE 3 THE USER REPRESENTATIVE**

3.0 The Owner may designate the designated department (if applicable) as a User, or User Agency. Such User, or User Agency, shall provide an individual User Representative to perform those functions required of the User Agency.

3.1 The User Representative(s) and the Owner shall provide the Architect with information required under Article 2 of this Agreement, as well as additional information required by the Architect for the purpose of defining the Scope of the Project and to assist the Architect and the Owner in the development and completion of the Project.

3.2 The User Representative(s) shall meet with the Architect and/or the Owner at times required by the Owner. The User Representative(s) shall respond to all inquiries submitted by the Architect and/or the Owner within any time limits set forth in the inquiry.

3.3 Information submitted directly by the User Representative(s) to the Architect is subject to subsequent approval by the Owner.

## **ARTICLE 4 OWNER'S RESPONSIBILITIES**

4.1 The Owner may designate, in writing, a representative authorized to act in his behalf; however, authority for final approval of the Program Documents, the Contract Documents, or any Change Order is retained by the Owner. The Owner shall examine documents submitted by the Architect and shall render decisions promptly to avoid unreasonable delay in the progress of the Architect's services. The Owner, through the User Representative(s), shall provide information to the Architect regarding the User's requirements in the development of Program Documents for the Project.

4.2 The Owner shall furnish a legal description and a certified land survey of the site, giving, as applicable, grades and lines of streets, alleys, pavements, and adjoining property; rights-of-way, restrictions,

easements, encroachments, zoning, deed restrictions, boundaries, and contours of the site; locations, dimensions, and complete data pertaining to existing buildings, such as existing construction documents and/or as built drawings, and other improvements; and full information concerning available service and utility lines both public and private, above and below grade, including inverts and depths.

4.2.1 The Architect shall return all documents and drawings provided under Paragraph 4.2 to the Owner upon the Owner's request, but in no case later than when the Construction Documents Phase has been completed (see Section 2.4 herein). Payment for the Construction Documents Phase will not be made to the Architect until the Owner has received said documents and drawings.

4.2.2 The Owner reserves the right not to provide certain project- related documents or drawings to the Architect at the Owner's discretion.

4.3 If the Owner observes or otherwise becomes aware of any fault or defect in the Project or nonconformance with the Contract Documents, prompt written notice thereof shall be given by the Owner to the Architect.

4.4 The Owner shall furnish required information and services and shall render approvals and decisions as expeditiously as necessary for the orderly progress of the Architect's services and of the Work.

## **ARTICLE 5**

### **MAXIMUM ALLOWABLE CONSTRUCTION COST**

**5.1 MAXIMUM ALLOWABLE CONSTRUCTION COST:** The Maximum Allowable Construction Cost (MACC) shall not exceed \$297,000.00 plus NMGR.

#### **5.2 RESPONSIBILITY FOR CONSTRUCTION COST**

5.2.1 Evaluations of the Owner's Project budget, statements of probable construction cost, and detailed estimates of construction cost prepared by the Architect represent the Architect's best judgment as a design professional familiar with the construction industry. It is recognized, however, that the Architect does not have control over the cost of labor, materials, or equipment; over the Contractor's methods of determining bid prices; or over competitive bidding, market, or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Project budget proposed, established, or approved by the Owner, or from any Statement of Probable Construction Cost or other cost estimate or evaluation prepared by the Architect.

5.2.2 The MACC is established, as a condition of this Agreement, as a fixed limit of Construction Cost for design and bidding purposes. The Architect shall be permitted to determine what materials, equipment, component systems, and types of construction are to be included in the Bidding Documents to bring Construction Cost within the MACC. With the written consent of the Owner, the Architect may also include in the Bidding Documents either additive or deductive alternate bids to adjust the Construction Cost to the fixed limit.

5.2.3 If bidding or negotiations with potential contractors have not commenced within two months after the Architect submits Bidding Documents to the Owner, the Project budget and/or MACC shall be adjusted to reflect any change in the general level of prices in the construction industry between the date of submission of the Bidding Documents to the Owner and the date on which proposals are sought.

5.2.4 The MACC, therefore, is established as a condition of this Agreement. When it is exceeded by the lowest bona fide bid, the Owner may;

- A. Give written approval of an increase in the MACC,
- B. Authorize rebidding the Project within a reasonable time, or
- C. Cooperate with the Architect in revising the Project scope and, as required, reducing the Probable Construction Cost.

If the Owner elects to reduce the Probable Construction Cost, the Owner shall cooperate with the Architect in revising the quality and scope of the Project; and the Architect, without additional charge for services shall modify the Drawings and Specifications as necessary to bring the Construction Cost within the MACC. The Architect shall then assist the Owner through the Bidding process (see Subparagraph 2.5.1). When the detailed cost estimate required by Subparagraph 2.4.2 or an evaluation prepared by the Architect indicates that the Project exceeds the MACC, the provisions outlined in this paragraph shall apply.

## **ARTICLE 6 REIMBURSABLE EXPENSES**

6.1 Reimbursable expenses are those above and beyond Basic Services compensation and are the actual expenditures made by the Architect or his employees in the interest of the Project. No expenses for which the Architect is entitled reimbursement shall be incurred by the Architect until written approval is given by the Owner, unless specifically allowed under Article 14 of this Agreement. Reimbursable expenses shall be limited to the following:

6.1.1 Expenses of transportation when traveling in connection with the Project when specifically set out in Article 14. Such expenses are limited to per diem and mileage rates as set forth in the County's Per Diem and Mileage policy, except such travel shall be authorized in advance by the Owner.

6.1.2 Expense of fees paid for securing approvals of authorities having jurisdiction over the Project.

6.1.3 The Architect shall charge Bidders a deposit fee equal to the full cost of reproduction of drawings, specifications, and other documents required by the Owner to solicit bids and execute the Construction Contract. This fee shall be completely refunded if the documents are returned in usable condition within the time limits specified in the Invitation to Bid. All forfeited fees shall be returned to the Owner.

6.2 Construction documents and specifications will be printed under the terms of a contract between the Owner and the current Vendor on contract. All reproduction required must be approved in writing by the Owner prior to request. This expense shall be paid by the Owner for the initial Bidding and by the Architect for subsequent Biddings (see subparagraph 5.2.4). All other reproductions as may be required for the Owner's review or for the office use of the Architect and the Architect's consultants shall be provided as part of the Architect's Basic Compensation.

6.3 Applicable gross receipts taxes on reimbursable expenses or additional services received by the Architect under the provisions of this Contract. **The Architect shall use and require the use of tax-exempt certificates by Consultants and Suppliers whenever allowed by law.** In any event, the Architect shall not include taxes paid as a part of the base dollar amount upon which taxes are calculated. Payment pursuant to this provision does include payment for gross receipts taxes pursuant to Subparagraph 13.1.1.

## **ARTICLE 7 PAYMENTS TO THE ARCHITECT**

### **7.1 PAYMENTS ON ACCOUNT OF BASIC SERVICES**

7.1.1 Payments for Basic Services shall be made monthly and shall be in proportion to services performed within each phase of services, on the basis set forth in Article 13.

7.1.2 When portions of the Project are deleted or otherwise not constructed, compensation for such portions of the Project shall be payable to the extent services are performed on such portions, in accordance with the schedule set forth in Subparagraph 13.1.2, based on

- A. The lowest bona fide bid or negotiated proposal, or
- B. If no such bid or proposal is received, the most recent Statement of Probable Construction Cost or detailed estimate of Construction Cost for such portions of the Project.

### **7.2 PAYMENT FOR SERVICES AND COSTS**

7.2.1 The Architect shall submit monthly, as necessary, a fully completed request for payment for all services and costs on a form delineating each phase of work and contracted amount for each phase showing the percentage of work completed to date and amount due and owing.

7.2.2 The Architect shall submit, with his billings at the completion of the Project, certification that payment has been made to all consultants, suppliers, and others for materials and services required by this Agreement.

### **7.3 PAYMENTS WITHHELD**

7.3.1 No deductions or withholdings shall be made from the Architect's compensation on account of penalty, liquidated damages, or other sums withheld from payments to Contractors, or on account of the cost of changes in the Work other than those for which the Architect may be legally liable and as required in Paragraph 2.9.

### **7.4 PROJECT SUSPENSION OR TERMINATION - OTHER PARTIES**

7.4.1 In the event of termination or suspension of the Project due to the fault of parties other than the Architect, the Architect shall be compensated for services performed to termination date pursuant to Article 10.

## **ARTICLE 8 ARCHITECT'S RECORDS AND AUDIT**

Records of expenses by the Architect and his consultants pertaining to all services under this Agreement shall be kept on the basis of generally accepted accounting principles and shall be available at mutually convenient times to the Owner or the Owner's authorized representative. The Owner shall have the right to audit all such records and billings both before and after payment. Payment under this Agreement shall not foreclose the right of the Owner to recover excessive or illegal payments.

8.2 Records of expenses shall be kept by the Architect and his consultants and shall be available to the Owner until all applicable statutes of limitations have run, and this provision shall survive and continue beyond the termination of other terms of this Agreement.

8.3 These records shall be subject to inspection by the Owner; the Owner's auditor and funding agency, if applicable, and shall be maintained for inspection for a minimum period of three years. Billings may be audited both before and after payment; and payment by the Owner under this Agreement shall not foreclose the right of the Owner to recover excessive or illegal payments.

## **ARTICLE 9 OWNERSHIP AND USE OF DOCUMENTS**

9.1 Original construction document drawings, designs, specifications, notes, project manuals, and/or related documents and other work developed in the performance of this Agreement by the Architect shall become the sole property of the Owner whether the Project for which they are made is constructed or not, pursuant to Section 13-1-1223, NMSA 1978. These documents shall be kept on file by the Owner. The Architect may maintain a complete reproducible set of any and all record documents developed under this Agreement.

9.2 All documents, including drawings and specifications prepared by the Architect pursuant to this Agreement are instruments of service in respect to the Project. They are not intended or represented to be suitable for reuse by the Owner on any other project.

9.3 The original drawings may be marked by the Owner or the Architect to designate the restrictions of use of these documents as set forth in Paragraph 9.2.

9.4 Copyright: No reports, maps, or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Architect.

9.5 The Owner agrees to hold the Architect harmless for damages arising from the use of drawings, specifications, and other work developed in the performance of this Agreement, and the Project included therein, when such drawings, specifications, and other work are used for purposes other than as base documents for subsequent additions, remodeling, or alterations to the Project. This section shall not apply in instances where the Architect is retained as the Architect of Record on any such subsequent project using the same drawings, specifications, and other work product from the Project which is the subject of this Agreement.

## **ARTICLE 10 TERMINATION OF AGREEMENT**

10.1 If either party should fail to fulfill in a timely and appropriate manner his obligations under this Agreement, or if either party should violate any of the covenants, agreements, or stipulations of this Agreement, the non-breaching party, in addition to remedies available under the terms of this Agreement, shall thereupon have the right to terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date thereof at least five days before the effective date of such termination. The Architect shall be responsible for all consequential costs, which may arise out of failure to complete the services in accordance with the schedule attached as Exhibit A.

10.2 In the event that the Project is abandoned by the Owner, the Owner may terminate this Agreement at any time by giving at least seven days' notice in writing to the Architect.

10.3 In the event of termination, all finished or unfinished documents, data, sketches, calculations, estimates, records, schedules, studies, surveys, drawings, maps, models, photographs, reports, and such other information and data accumulated in the performance of services under this Agreement, whether complete or in progress, prepared by the Architect under this Agreement shall become the Owner's property, and the Architect shall be entitled to receive compensation for actual work satisfactorily completed hereunder, including reimbursable expenses authorized by the Owner which are then due.

10.4 Termination: This Agreement may be terminated by either of the parties hereto without cause upon written notice delivered to the other party at least 30 days prior to the intended date of termination. By such termination, neither party may nullify obligations already incurred for performance or failure to perform prior to the date of termination.

## **ARTICLE 11 GENERAL AND SPECIAL PROVISIONS**

11.1 This Agreement shall be governed exclusively by the provisions hereof and by the laws of the state of New Mexico as the same from time to time exist.

11.2 Unless expressly provided otherwise, terms in this Agreement shall have the same meaning as those in the Conditions of the Contract for Construction, as provided in – Bidding and Contract Requirements on file with the Owner.

11.3 As between the parties to this Agreement: As to all acts or failures to act by either party to this Agreement, any applicable failures to act by either party to this Agreement, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued in any and all events not later than the relevant Date of Substantial Completion of the Work, and as to any acts or failures to act occurring after the relevant Date of Substantial Completion, not later than the date of the Owner's approval of the Final Certificate of Payment.

11.4 The Owner and the Architect waive all rights against each other and against the contractors, consultants, agents, and employees of the other for damages covered and paid by any property insurance during construction as set forth in Division – Bidding and Contract Requirements on file with the Owner. The Owner and the Architect each shall require appropriate similar waivers from their contractors, consultants, and agents.

11.5 The Architect shall hold harmless and indemnify the Owner against any and all injury, loss, or damage, including cost of defense - including but not limited to court costs and attorney's fees - arising out of the negligent acts, errors, or omissions of the Architect.

11.6 This Agreement shall not become effective until:

- A. Approved by motion and vote the Owner's governing body at a duly published meeting, the finance officer of the Owner for compliance with the financial requirements of the legislation or funding source authorizing the Project and compliance with the requirements of all other legislation pertaining to the expenditures of public funds; and
- B. Signed by all parties required to sign this Agreement.

11.7 The Architect and his agents and employees are independent contractors performing professional and technical services for the Owner and are not employees of the Owner. The Architect and his agents and employees shall not as a result of this Agreement accrue leave, retirement, insurance, bonding, use of Owner vehicles, or any other benefits afforded to employees of the Owner.

11.8 The Architect's design shall be in compliance with all federal, state, and local codes and laws related to the Work, including but not limited to provisions of the Civil Rights Act of 1964 and Executive Order 11246, Title VI, Sections 3 and 109; the minimum handicapped accessibility as required by Section 60-13-44D, NMSA 1978; Section 306, New Mexico Uniform Building Code, which adopts ANSI A117.1, 1980; and parking requirements as required by Section 15-3-19, NMSA 1978. In all cases, the more restrictive code or statute adopted by the Construction Industries Division of the Regulation and Licensing Department shall govern.

11.9 The Architect shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written consent of the Owner.

11.10 Whenever the Architect contracts for an additional Project Representative to be on the Project or enters into a joint venture to share the duties and responsibilities of the Architect under this Agreement, all such agreements require prior Owner approval and must outline the duties and responsibilities of the Architect and his representative, or joint venture, or consultant; and a copy of such approved agreement shall be filed with the Owner. Such agreements shall be amendments to this Agreement.

11.11 The Architect, upon final payment of the amounts due under this Agreement, releases the Owner, his officers and employees from his liabilities and obligations arising from or under this Agreement, including, but not limited to, all damages, losses, costs, liability, and expenses, including but not limited to attorney's fees and costs of litigation that the Architect may incur.

11.12 The Architect agrees not to purport to bind the Owner to any obligation not assumed herein by the Owner, unless the Architect has express written authority to do so, and then only within the strict limits of that authority.

11.13 The Architect warrants that he currently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. The Architect further covenants that, in the performance of this Agreement, no person having any such interest shall be employed by the Architect. The Architect also agrees that neither he nor anyone employed by him shall have an interest, direct or indirect, in any company hired for the Project as Contractor, subcontractor, or supplier, except when the Project is a design-build project and/or the Owner provides inspections independent of the Architect.

11.14 Pursuant to Section 13-1-191, NMSA 1978, reference is hereby made to the criminal laws of New Mexico (including Sections 30-24-1, 30-24-2, and 30-41-1 through 3, NMSA 1978), which prohibit bribes, kickbacks, and gratuities, violation of which constitutes a felony. Further, the Procurement Code (Sections 13-1-28 through 199, NMSA 1978) imposes civil and criminal penalties for its violation.

11.15 The Architect shall obtain professional liability insurance and provide a certificate of coverage on the form designated herein as Exhibit A. Such insurance coverage shall be maintained in full force and effect at all times during the performance of Project services and for a period thereafter of not less than three years following Substantial Completion of the Work. Fees for such insurance shall be at the Architect's expense and of the following limits of liability:

11.15.1 Professional liability insurance, per occurrence of \$500,000 and in the aggregate of \$1,000,000, unless as otherwise provided in Article 14. Proof of compliance with this section shall be provided by the Architect to the Owner in each year insurance is required.

11.16 A potential contractor or the Contractor agrees to comply with state laws and rules pertaining to workers' compensation insurance coverage for its employees. If contractor fails to comply with the Workers' Compensation Act and application rules when required to do so, the contract may be cancelled effective immediately.

11.17 No work requiring the approval of the Owner shall be undertaken until the Owner's written approval has been requested and obtained. Any deviation from this requirement shall be considered a material breach of this Agreement and grounds for termination.

11.18 In the event that the Architect subcontracts out any portion of his duties or responsibilities under this Agreement, or if the Architect hires consultants to assist him with his duties or responsibilities under this Agreement, the Architect shall require that all terms of this Agreement applicable to the consultant, subcontractor, or joint venturer shall be incorporated into any contract or agreement entered into with such consultant, subcontractor, or joint venturer.

11.19 Notices. All notices herein provided to be given, or which may be given, by either party to the other shall be deemed to have been fully given when made in writing and deposited in the United States mail, postage prepaid - in the instance of notice of termination of work also by certified mail, and addressed as follows:

OWNER: County of Valencia  
Attn: Eric Zamora, Manager  
P. O. Box 1119  
Los Lunas, NM 87031  
Telephone: (505) 866-2014  
Fax: (505) 866-3355

ARCHITECT: John H. Kirkpatrick  
P. O. Box 1473  
Los Lunas, NM 87031  
Telephone/Fax: (505) 865-0111

Nothing herein contained shall preclude the giving of any such written notice by personal service. The address to which notices shall be mailed to either party may be changed by written notice given by such party to the other as herein above provided.

11.20 Gender, Singular/Plural. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context requires otherwise.

11.21 Captions and Section Headings. The captions and section headings contained in this Agreement are for convenience of reference only, and in no way limit, define, or enlarge the terms, scope, and conditions of this Agreement.

11.22 Labor-Management Relations. During the entire term of this Agreement, the Architect shall take good-faith steps necessary to further satisfactory labor-management relations to the end that the operations

of the Architect and of the Owner shall not be affected by strikes, picketing, boycotts, or other labor activities.

11.23 This document may be executed in counterparts, each of which shall be deemed an original.

11.24 Certificates and Documents Incorporated. All certificates and documentation required by the provisions of this Agreement shall be attached to this Agreement at the time of execution and are hereby incorporated by reference as though set forth in full in this Agreement to the extent they are consistent with its conditions and terms.

11.25 Separability. If any clause or provision of this Agreement is illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, then and in that event it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby.

11.26 Waiver. No provision of this Agreement shall be deemed to have been waived by either party unless such waiver be in writing signed by the party making the waiver and addressed to the other party; nor shall any custom or practice which may evolve between the parties in the administration of the terms hereof be construed to waive or lessen the right of either party to insist upon performance by the other party in strict accordance with the terms hereof. Further, the waiver by any party of a breach by the other party or any term, covenant, or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition thereof.

11.27 Mergers, Dissolution, Successors, and Assigns. The Architect agrees that during the term hereof it will maintain its existing business structure, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another business structure or permit one or more other business structures to consolidate or merge into it, unless the surviving, resulting, or transferred business structure, as the case may be,

- A. Assumes, is capable of, and agrees in writing to perform all of the obligations of the Architect hereunder;
- B. Qualifies to do business in the State of New Mexico, including providing a legal resident registered architect of New Mexico as Project Architect; and
- C. The Owner approves the firm or individual architect, or new architect, if any, who is to proceed.

The terms and provisions hereof shall extend to, be binding upon, and inure to the benefit of the successors and assigns of the respective parties hereto.

11.28 The Owner shall have sole discretion to determine whether or not the Project Architect or the firm named as Architect in this Agreement shall continue to have all contract rights under this Agreement and continue to represent the Owner under this Agreement in all instances where the Project Architect ceases to be associated with the firm named in this Agreement.

11.29 Entire Agreement. This Agreement represents the entire contract between the parties and, except as otherwise provided herein, may not be amended, changed, modified, or altered without the written consent of the parties hereto. This Agreement incorporates all of the conditions, agreements, and understandings between the parties concerning the subject matter of this Agreement, and all such conditions, understandings, and agreements have been merged into this written Agreement. No prior condition, agreement, or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this written Agreement.

11.30 Interchangeable Terms. For purposes of all provisions within this Agreement and all attachments hereto, the terms "Agreement" and "Contract" shall have the same meaning and shall be interchangeable.

11.31 Words and Phrases. Words, phrases, and abbreviations, which have well-known technical or trade meanings used in the Contract Documents shall be used according to such recognized meanings. In the event of a conflict, the more stringent meaning shall govern.

11.32 Relationship of Contract Documents. The Contract Documents are complementary, and any requirement of one contract document shall be as binding as if required by all.

11.33 Exhibits and Attachments Incorporated by Reference. All exhibits, attachments, riders, and addenda referred to in this Agreement, including but not limited to the exhibits referred to in this Agreement, as well as those listed in Paragraph 11.33 below, are hereby incorporated into this Agreement by reference and made a part hereof as though set forth in full in this Agreement to the extent they are consistent with its conditions and terms.

11.34 The following exhibits if attached are made a part of this Agreement:

Exhibit A - Architect's Errors and Omissions Insurance Certificate

Exhibit B - Time Schedule for Project Phases

Exhibit C - List of Consultants

Exhibit E- Architect Additional Services Proposal/Amendment Form

Exhibit F- Architect Pay Request Form

Exhibit G- Boiler Bidding Documents and Conditions of the Contract for Construction

11.35 Equal Opportunity Compliance: The Architect agrees to abide by all federal and state laws, rules and regulations and executive orders of the Governor of New Mexico pertaining to equal employment opportunity or deny from participation in, deny the benefits of or otherwise subject to discrimination under any activity performed under this Agreement any person on the grounds of race, color, religion, national origin, sex, sexual preference, age or disability. If the Architect or any subcontractor is found not to be in compliance with these requirements during the term of this Agreement, the Architect agrees to take appropriate steps to correct these deficiencies.

## **ARTICLE 12 MAINTENANCE**

12.1 Ease of maintenance and the ability to repair major items of installed equipment by replacement are essential to the Project. To ensure that these services can be adequately performed after the Project is accepted by the Owner, the Architect shall:

12.1.1 In all relevant Contract Documents, design and provide for all major installed equipment in the Project, including but not limited to removal, access, maintenance, and storage space needs. In addition, all installed equipment systems shall be appropriately identified and labeled to describe the capacities, flows, and other pertinent information related to their maintenance and safe operation;

12.1.2 Specify only equipment that can be readily maintained by the User or other qualified commercial repairmen who are proximate to the location of the Project;

12.1.3 Provide Construction Documents that accurately depict the installation of all major items of installed equipment and which provide reasonable detail on all other major systems to be installed; and

12.1.4 At the completion of the Schematic, Design Development, and Contract Documents Phases, brief the Owner and the User Representative on the rationale for the selection of the major mechanical and electrical systems to be specified in the Contract Documents, together with their probable life-cycle costs.

**ARTICLE 13**  
**BASIS OF COMPENSATION**

**13.0 BASIC COMPENSATION**

13.1 FOR BASIC SERVICES, as described in Paragraphs 2.0 through 2.6, and any other services included in Article 14 as part of Basic Services, compensation shall be computed as follows:

On the Basis of a Fixed Fee of 10% on estimated MAAC of & \$297,000.00	\$29,700.00
Additional Services	
1. Project Architect	\$85.00 per hour
2. Construction Contract Administrator	\$70.00 per hour
3. Drafting	\$55.00 per hour
4. Office Support	\$45.00 per hour
Plus all applicable gross receipts taxes @ 7.5625 % on an estimated MAAC	
<b>Total Basic Compensation (excluding GRT)</b>	<b>29,700.00</b>
<b>Total Reimbursable</b>	<b>TBD (if applicable)</b>
<b>Total Contract Sum (including GRT)</b>	<b>\$31,946.00</b>

12.1.2 Payments for Basic Services shall be made monthly in proportion to services performed so that the compensation at the completion of each phase, except when the compensation is on the basis of a Multiple of Direct Personnel Expense, shall equal the following percentages of the total Basic Compensation:

Programming Phase	10%	\$3,194.60
Schematic Phase	15%	\$4,791.90
Design Development Phase	20%	\$6,389.20
Construction Document Phase	25%	\$7,986.50
Bidding or Negotiation	3%	\$ 958.38
Construction Administration	22%	\$7,028.12
Project Closeout (Substantial Completion, Acceptance of project, and Approval by Owner of As-Built Drawings required by Article 9)	5%	\$1,597.30
Sub-total basic compensation	100%	
Total Reimbursable Allowed by Article 14	0	\$
<b>Total Contract Amount</b>		<b>\$31,946.00</b>

13.2 FOR PROJECT REPRESENTATION BEYOND BASIC SERVICES, as described in Paragraph 2.7, compensation shall be computed separately in accordance with Subparagraph 2.7.2.

### 13.3 COMPENSATION FOR ADDITIONAL SERVICES

13.3.1 FOR ADDITIONAL SERVICES OF THE ARCHITECT, as described in Paragraph 2.8, and any other services included in Article 14 as part of Additional Services, but excluding additional services of consultants, compensation shall be a negotiated lump sum.

13.3.2 FOR ADDITIONAL SERVICES OF CONSULTANTS, including but not limited to the additional structural, mechanical, and electrical engineering services, a multiple of 1.10 times the amounts billed to the Architect for such services. The Architect shall provide the Owner with hourly rates for his consultants and their employees detailed by professional levels.

13.4 FOR REIMBURSABLE EXPENSES, if allowed, as described in this Agreement at cost.

13.5 Maximum amount to be paid for the duration of this Contract shall not exceed the "Total Contract Sum" indicated for Phase I including, but not limited to, total compensation, reimbursable and gross receipts taxes, as per Section 13 of this Contract. The contract sum for Phase II will be authorized by an Amendment to this Agreement.

## **ARTICLE 14 OTHER CONDITIONS OR SERVICES**

14.1 All reimbursable expenses (\$0.0). Reimbursable expenses shall include: geotechnical investigation, site survey, site topography, soil testing, and other project related work shall be payable from the reimbursable expenses. No cost shall be incurred by the Architect until a written proposal for each part is submitted and approved by the Owner.

14.2 Role of Architect and Project Architect: The Project Architect will supervise the architectural design for the project and will affix his seal to the architectural drawings. The Architect will be responsible for the engineering design and production, as well as the architectural production and construction administration services as outlined in Article 2.

14.3 The Owner agrees not to use any plans related to this project for any other purpose without the express written permission of the Architect.

14.4 For Indefinite Quantity, Indefinite Delivery contracts (price agreements without specific limitations on quantity and providing for an indeterminate number of orders to be placed against it); Architect agrees these requirements shall apply the first day of the second month after the offeror reports combined sales (from state, and if applicable, from local public bodies if from as state price agreement) of \$250,000, \$500,000 or \$ 1,000,000, depending on the dollar value threshold in effect at that time.

14.5 REIMBURSABLE COST – The total reimbursable cost shall be \$0.0 for project bid set reproductions, surveying, testing or excessive travel requirement beyond those included in basic services, which shall be determined herein prior to execution of this contract or any other project related expenses per Article 6. The Architect shall incur no cost until a written proposal of work for each part is submitted and approved by the Owner's Representative.

14.6 ELECTRONIC PROJECT SCHEDULING: The Project Architect shall provide and update a detailed project schedule in the current version of Microsoft Project software, to the Project Manager on a minimum of a bi-monthly basis.

Project No. \_\_\_\_\_

**PROFESSIONAL SERVICES AGREEMENT SIGNATURE PAGE**

Contract No. \_\_\_\_\_

REVIEWED AS TO BUDGETARY SUFFICIENCY

Finance Officer

By: Kenneth L. Gritz  
☐ Approved ☐ Disapproved

Date: 1-10-12

REVIEWED AS TO LEGAL FORM AND SUFFICIENCY

Legal Counsel

By: Adrian R. Roman  
☒ Approved ☐ Disapproved

Date: January 4, 2012

AGREED

**ARCHITECT:**

By: John Kirkpatrick  
John Kirkpatrick

Date: 12/7/11

NM Seal and Certificate Number: 004728

NM Tax ID N<sup>o</sup>. 03-092481-00-2 Federal ID N<sup>o</sup>. 26-3095372

APPROVED

**OWNER:**

DATE: January 4, 2012

**BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF VALENCIA**

Donald E. Holliday  
Donald E. Holliday, ~~Commissioner~~ Chair  
District V

Georgia Otero-Kirkham  
Georgia Otero-Kirkham, Vice-Chair  
District II

Mary Andersen  
Mary Andersen, Commissioner  
District I

Lawrence R. Romero  
Lawrence R. Romero, Commissioner  
District III

Ron Gentry  
Ron Gentry, Commissioner  
District IV

Attest:

Sally Perea  
Sally Perea, County Clerk





# CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)  
 11/02/2011

## PRODUCER

0058053624

 Rio Grande Financial Network  
 P.O. Box 3304  
 Los Lunas, NM 87031

 THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION  
 ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE  
 HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR  
 ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

## INSURED

 John Kirkpatrick aka John Kirkpatrick Design and Consultant  
 P.O. Box 1473

Los Lunas

NM

87031

## INSURERS AFFORDING COVERAGE

NAIC #

 INSURER A: Safeco Insurance Company  
 INSURER B  
 INSURER C  
 INSURER D  
 INSURER E

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A X	GENERAL LIABILITY	02H1753986-10	08/29/11	08/29/12	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000
	X COMMERCIAL GENERAL LIABILITY				MED EXP (Any one person) \$ 10,000
	CLAIMS MADE X XCLD				PERSONAL & ADV INJURY \$ 2,000,000
					GENERAL AGGREGATE \$ 4,000,000
					PRODUCTS COMP/OP AGG \$ 4,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER				
X	POLICY	PRO	JECT	LOC	
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
	ANY AUTO				(Ea accident)
	ALL OWNED AUTOS				BODILY INJURY \$
	SCHEDULED AUTOS				(Per person)
	HIRED AUTOS				BODILY INJURY \$
	NON OWNED AUTOS				(Per accident)
					PROPERTY DAMAGE \$
					(Per accident)
	GARAGE LIABILITY				AUTO - TRAILER ACCIDENT \$
	ANY AUTO				OTHER THAN EA ACC \$
					AUTO LIMIT AGG \$
	EXCESS UMBRELLA LIABILITY				EACH OCCURRENCE \$
	RETOR CLAIMS MADE				AGGREGATE \$
					\$
	DEDUCTIBLE				\$
	RETENTION \$				\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER MEMBER EXCLUDED (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below	Y N			E & L EACH ACCIDENT \$
					E & L DISEASE EA EMPLOYEE \$
					E & L DISEASE POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Location address: 417 Hwy 314, Los Lunas, NM 87031

BOOK 72

PAGE 570

## CERTIFICATE HOLDER

 Valencia County  
 444 Luna Avenue  
 Los Lunas, NM 87031

## CANCELLATION

 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION  
 DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN  
 NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BUT FAILURE TO DO SO SHALL  
 IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR  
 REPRESENTATIVES.

 AUTHORIZED REPRESENTATIVE  
 Yvonne M. Sanchez

Infrastructure Capital Improvement Plan FY 2013-2017

Valencia County  
Project Summary

Rank	Project Title	Top 5 Rank	Category	Funding Sources	2013	2014	2015	2016	2017	Total
2013-01	New Valencia County Administration Complex	1	Adm/Service Facilities (local)	LGRANT LBONDS LFUNDS	6,000,000	0	0	0	0	6,000,000
2013-02	County-Wide Road Improvements	2	Hiways/Roads/Streets/ Bridges	LGRANT SGRANT LFUNDS	2,000,000	2,205,000	2,310,000	2,450,000	5,575,000	14,540,000
2013-03	EMS Transport Building/Equipment	3	Health-Related Cap Infra	LGRANT LBONDS LFUNDS	2,600,000	0	0	0	0	2,600,000
2013-04	Upgrade County IT Software	4	Adm/Service Facilities (local)	LGRANT LFUNDS OTHER	1,000,000	0	0	0	0	1,000,000
2013-05	New Hospital Planning Funds	5	Health-Related Cap Infra	LBONDS LGRANT LFUNDS	1,500,000	0	0	0	0	1,500,000
2013-06	Animal Control Building Renovation		Adm/Service Facilities (local)	LGRANT	200,000	0	0	0	0	200,000
2013-07	Construct Valencia County Railroad Overpasses		Hiways/Roads/Streets/ Bridges	FGRANT LGRANT OTHER	6,300,000	0	0	0	0	6,300,000
2013-08	Jarales Fire Department Renovations		Fire	LGRANT SGRANT FGRANT LFUNDS	450,000	80,000	250,000	150,000	350,000	1,280,000
2013-09	Senior Service Facilities Renovations/Equipment		Senior Facilities	LGRANT SGRANT LFUNDS	667,300	0	0	0	0	667,300
2013-10	Conejos Transfer Station Building Improvements		Solid Waste	LGRANT SGRANT OTHER	200,000	0	0	0	0	200,000

Infrastructure Capital Improvement Plan FY 2013-2017

2013-11	Land Fill Closure/Conejos Clean-up	Solid Waste	LGRANT FLOAN LFUNDS	315,000	0	0	0	0	315,000
2013-12	Solid Waste Transfer Equipment	Solid Waste	LGRANT LFUNDS	180,000	130,000	67,000	67,000	125,000	569,000
2013-12	Solid Waste/Country Wide Convenience Centers	Solid Waste	LGRANT FGRANT LFUNDS	750,000	0	0	0	0	750,000
2013-13	Road Department Heavy Equipment Purchase	Hiways/Roads/Streets/ Bridges	LGRANT LFUNDS	300,000	305,000	275,000	0	0	880,000
2013-14	Rio Grande Estates Fire District Equipment	Fire	LGRANT FGRANT LFUNDS	165,000	110,000	110,000	400,000	300,000	1,085,000
2013-15	Tome-Adelino Fire District Remodel/Equipment	Fire	LFUNDS LGRANT	450,000	100,000	350,000	350,000	350,000	1,600,000
2013-16	Valencia El Cerro Fire District Equip/Renovations	Fire	LGRANT SGRANT FGRANT LFUNDS	250,000	150,000	450,000	350,000	150,000	1,350,000
2013-17	Meadowlake Fire District Equipment	Fire	LGRANT FLOAN SGRANT LFUNDS	310,000	230,000	150,000	150,000	150,000	990,000
2013-18	Los Chavez Fire District Equip/Renovations	Fire	LFUNDS LGRANT	60,000	100,000	125,000	350,000	350,000	985,000
2013-19	Manzano Vista Fire District Equipment	Fire	LGRANT SGRANT FGRANT LFUNDS	150,000	150,000	35,000	150,000	350,000	835,000
2013-20	Highland Meadows Fire District Equipment	Fire	LGRANT FGRANT LFUNDS	60,000	200,000	250,000	150,000	500,000	1,160,000
2013-21	New Road Department Substation	Adm/Service Facilities (local)	LFUNDS LGRANT	270,000	0	0	0	0	270,000
2013-22	Hwy 116 & Castillo Traffic Light	Hiways/Roads/Streets/	LGRANT LFUNDS	275,000	0	0	0	0	275,000

Infrastructure Capital Improvement Plan FY 2013-2017										
		Bridges								
2013-23	Meadowlake Road Improvements	Hiways/Roads/Streets/ Bridges	LFUNDS LGRANT	105,000	1,528,000	1,550,000	0	0	3,183,000	
2013-24	Meadowlake Community Center Improvements	Adm/Service Facilities (local)	LFUNDS LGRANT LFUNDS	276,000	330,000	0	0	0	606,000	
2013-25	El Cerro Community Center Renovations	Adm/Service Facilities (local)	LFUNDS LGRANT LFUNDS	315,000	0	0	0	0	315,000	
2013-26	Monterey Blvd Road Improvements	Hiways/Roads/Streets/ Bridges	LFUNDS LGRANT LFUNDS	50,000	407,700	0	0	0	457,700	
2013-27	Van Camp Blvd Paving/Expansion	Hiways/Roads/Streets/ Bridges	LFUNDS LGRANT LFUNDS	272,000	0	0	0	0	272,000	
2013-28	New Countywide Fire Districts Improvements	Fire	LFUNDS FGRANT LGRANT SGRANT	413,000	100,000	600,000	750,000	500,000	2,363,000	
2013-29	Road Department Building Remodel	Adm/Service Facilities (local)	LFUNDS LGRANT SGRANT FGRANT LFUNDS	210,000	0	0	0	0	210,000	
2014-01	New Highland Meadows Community Center	Adm/Service Facilities (local)	LFUNDS LGRANT SGRANT FGRANT LFUNDS	0	242,000	0	0	0	242,000	
2014-02	Manzano Expressway Road Improvements	Hiways/Roads/Streets/ Bridges	LFUNDS LGRANT SGRANT LFUNDS	0	3,142,000	0	0	0	3,142,000	
2014-03	Highland Meadows Road Improvements	Hiways/Roads/Streets/ Bridges	LFUNDS LGRANT LFUNDS	0	55,000	140,000	154,000	154,000	503,000	
Grand Total				26,093,300	9,564,700	6,662,000	5,471,000	8,854,000	56,645,000	
Valencia County/ICIP 14000										
Thursday, December 22, 2011										

Accounting & Consulting Group, LLP

Certified Public Accountants

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

( EXHIBIT M )

BOOK 72

PAGE 574

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

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BOOK 72 PAGE 575

INTRODUCTORY SECTION

BOOK 72

PAGE 577

STATE OF NEW MEXICO  
Valencia County  
Table of Contents  
June 30, 2011

Page 1 of 2

	<u>Exhibit</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Table of Contents		4-5
Official Roster		6
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report		8-9
<b>BASIC FINANCIAL STATEMENTS</b>		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	12-13
Statement of Activities	A-2	15
Fund Financial Statements:		
Balance Sheet - Governmental Funds	B-1	16-17
Reconciliation of the Balance Sheet to the Statement of Net Assets		19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	B-2	20-21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities		23
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget (Non-GAAP Budgetary Basis) and Actual:		
General Fund	C-1	24
Road Special Revenue Fund	C-2	25
Adult Detention Center Special Revenue Fund	C-3	26
County Indigent Claims Special Revenue Fund	C-4	27
Statement of Fiduciary Assets and Liabilities-Agency Funds	D-1	28
NOTES TO THE FINANCIAL STATEMENTS		29-51
<b>SUPPLEMENTARY INFORMATION</b>		
Nonmajor Governmental Fund Descriptions	Statement/ <u>Schedule</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES		54-57
Combining Balance Sheet - Nonmajor Governmental Funds	A-1	58-67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	A-2	68-77
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Budgetary Basis) and Actual:		
Farm and Range Special Revenue Fund	B-01	78
Recreation Special Revenue Fund	B-02	79
Juvenile Detention Special Revenue Fund	B-03	80
GRT - Regional Transit Special Revenue Fund	B-04	81
Older American Special Revenue Fund	B-05	82
Fire Protection Special Revenue Fund	B-06	83
EMS Special Revenue Fund	B-07	84
Wildlife Fire Reimbursement Special Revenue Fund	B-08	85
Neighborhood Watch Special Revenue Fund	B-09	86
Valuation Maintenance Special Revenue Fund	B-10	87
Fire Excise Tax Special Revenue Fund	B-11	88
Law Enforcement Special Revenue Fund	B-12	89
EMS - GRT Special Revenue Fund	B-13	90
Tome Adelino Community Center Special Revenue Fund	B-14	91
CDBG Special Revenue Fund	B-15	92
Law Enforcement Explorer Program Special Revenue Fund	B-16	93
G.R.E.A.T Grant Special Revenue Fund	B-17	94
Solid Waste Performance Special Revenue Fund	B-18	95

BOOK 72

PAGE 578

STATE OF NEW MEXICO

Valencia County

Table of Contents

June 30, 2011

Page 2 of 2

	Statement/ Schedule	Page
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>		
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Budgetary Basis) and Actual:		
Solid Waste GRT Special Revenue Fund	B-19	96
Clerk's Equipment Special Revenue Fund	B-20	97
Department of Justice Assistance Programs Special Revenue Fund	B-21	98
Special Revenue Bond Special Revenue Fund	B-22	99
Sheriff's GRT Special Revenue Fund	B-23	100
Road GRT Special Revenue Fund	B-24	101
Fire GRT Special Revenue Fund	B-25	102
Traffic Safety Special Revenue Fund	B-26	103
Homeland Security Special Revenue Fund	B-27	104
Title III-B Special Revenue Fund	B-28	105
Title III-E Special Revenue Fund	B-29	106
Title C-1 Special Revenue Fund	B-30	107
Title C-2 Special Revenue Fund	B-31	108
Cash in Lieu Special Revenue Fund	B-32	109
Bonds/Judicial Renovation Capital Projects Fund	B-33	110
Legislative Appropriation FY 02/03 Capital Projects Fund	B-34	111
Legislative Appropriation FY 03/04 Capital Projects Fund	B-35	112
Legislative Appropriation FY 04/05 Capital Projects Fund	B-36	113
Tome Adelino Capital Projects Fund	B-37	114
Legislative Appropriation FY 06/07 Capital Projects Fund	B-38	115
Legislative Appropriation FY 07/08 Capital Projects Fund	B-39	116
Legislative Appropriation FY 08/09 Capital Projects Fund	B-40	117
Legislative Appropriation FY 09/10 Capital Projects Fund	B-41	118
Legislative Appropriation FY 10/11 Capital Projects Fund	B-42	119
Corrections GRT Capital Projects Fund	B-43	120
El Cerro Pump Debt Service Fund	B-44	121
Meadow Lake Fire Department Debt Service Fund	B-45	122
Highland Meadow Fire Department Debt Service Fund	B-46	123
Bond/Public Safety/E-911 Facility Debt Service Fund	B-47	124
County Debt Service Fund	B-48	125
<b>SUPPORTING SCHEDULES</b>		
Schedule of Collateral Pledged by Depository for Public Funds	I	128-129
Schedule of Deposit and Investment Accounts	II	130-131
Tax Roll Reconciliation-Changes in Property Taxes Receivable	III	132
Schedule of Changes in Fiduciary Assets and Liabilities –Agency Funds	IV	133
Schedule of Legislative Grants	V	134-135
<b>COMPLIANCE SECTION</b>		
Report on Internal Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		138-139
<b>FEDERAL FINANCIAL ASSISTANCE SECTION</b>		
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133		142-143
Schedule of Expenditures of Federal Awards	VI	144-145
Schedule of Findings and Questioned Costs	VII	146-162
<b>OTHER DISCLOSURES</b>		163

BOOK 72

PAGE 579

STATE OF NEW MEXICO

Valencia County

Official Roster

June 30, 2010

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

FINANCIAL SECTION

BOOK 72

PAGE 501

7

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## Accounting & Consulting Group, LLP

Certified Public Accountants

### INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the General Fund and major special revenue funds, and the aggregate remaining fund information of Valencia County, New Mexico (the County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the County Debt Service Fund, and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011 as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

We were not able to verify capital assets and the related accumulated depreciation at June 30, 2011 and the depreciation expense for the year then ended. We were unable to determine these amounts through the use of alternative procedures. The effect on assets, net assets, and expenses of the governmental activities is not readily determinable.

As discussed in finding FS 2007-14, the County's cash balances allocated at the individual fund level did not reconcile with the control cash account for the governmental funds. As a result, there was no effective way to determine whether the cash balances at the fund level were materially correct. The amount by which allocation would affect the assets, fund balances, revenues and expenditures of the governmental funds is not reasonably determinable.

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to determine the amount of capital assets, related accumulated depreciation, and current depreciation expense, and proper allocation of cash balances at the individual fund level the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County, as of June 30, 2011 and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

BOOK 72

PAGE 582

In addition, in our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to determine the amount of capital assets, related accumulated depreciation, and current depreciation expense, and proper allocation of cash balances at the individual fund level the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County as of June 30, 2011, and the respective changes in financial position thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to determine the amount of capital assets, related accumulated depreciation, and current depreciation expense, and proper allocation of cash balances at the individual fund level the budget comparisons referred to above present fairly, in all material respects, the respective budgetary comparisons for the year then ended in conformity with the cash basis of accounting and more fully described in Note 2, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The County has not presented the *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements, the combining and individual fund statements and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying financial information listed as Supporting Schedules I through V in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and each of the nonmajor governmental fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements and nonmajor governmental funds financial statements, taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
November 10, 2011

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BOOK 72

PAGE 584

**BASIC FINANCIAL STATEMENTS**

BDOA 72 PAGE 585

STATE OF NEW MEXICO  
Valencia County  
Statement of Net Assets  
June 30, 2011

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

The accompanying notes are an integral part of these financial statements

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

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

Exhibit A-2

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

BOOK 72

PAGE 557

The accompanying notes are an integral part of these financial statements

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

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

The accompanying notes are an integral part of these financial statements

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

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BOOK 72 PAGE 592

STATE OF NEW MEXICO  
Valencia County  
Reconciliation of the Balance Sheet to the Statement of Net Assets  
Governmental Funds  
June 30, 2011

Exhibit B-1  
Page 2 of 2

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

Fund balances - total governmental funds	\$ 13,891,614
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	42,716,604
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	1,925,676
Bond issuance costs, including original issue discounts and premiums are not current financial resources or obligations and, therefore, are not reported in the funds	
Bond issuance cost (net of amortization)	56,958
Accrued interest is not due and payable with current financial resources and, therefore, is not reported in the funds	(41,172)
Certain liabilities, including bonds payable and current and long-term portions of accrued compensated absences, are not due and payable in the current period and therefore are not reported in the funds:	
General obligation bonds and notes payable	(7,934,819)
Capital leases	(155,923)
Landfill liability	(435,000)
Compensated absences	(411,964)
Net assets - governmental activities	<u>\$ 49,611,974</u>

BOOK 72 PAGE 573

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
Valencia County  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

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

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STATE OF NEW MEXICO  
Valencia County  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2011

Exhibit B-2  
Page 2 of 2

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

Net change in fund balances - total governmental funds	\$ (34,200)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital assets reported as capital outlay expenditures	2,010,532
Depreciation expense	(2,269,376)
In the Statement of Activities, gain on return of capital lease resulted from capital lease having a book value less than related debt, resulting in a gain upon return.	
Gain on return of capital lease was recorded in the Statement of Activities and not reported as gain in the fund financial statements.	166,558
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:	
Change in deferred revenue related to property taxes receivable	113,664
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:	
Decrease in accrued compensated absences	25,728
Decrease in accrued interest	77,482
Increase in landfill liability	(229,530)
Decrease in landfill closure fine	900,000
Current year bond issuance costs	59,417
Amortization of bond issuance costs	(2,459)
Bond and loan proceeds	(7,727,258)
Principal payments on long-term debt	7,988,518
Change in net assets of governmental activities	<u>\$ 1,079,076</u>

BOOK 72 PAGE 597

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-1

Valencia County

General Fund

## Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-2

Valencia County

Road Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-3

Valencia County

Adult Detention Center Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
Valencia County  
County Indigent Claims Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

Exhibit C-4

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

The accompanying notes are an integral part of these financial statements

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

Exhibit D-1

*Assets*

Cash and cash equivalents	\$ 12,754,393
Property taxes receivable	<u>5,121,585</u>

<i>Total assets</i>	<u><u>\$ 17,875,978</u></u>
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*Liabilities*

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

<i>Total liabilities</i>	<u><u>\$ 17,875,978</u></u>
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BOOK 72 PAGE 402

The accompanying notes are an integral part of these financial statements

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

**NOTE 1. Summary of Significant Accounting Policies**

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

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

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

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

*A. Financial Reporting Entity*

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

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

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

**NOTE 1. Summary of Significant Accounting Policies (continued)**

*A. Financial Reporting Entity (continued)*

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the County does not have any component units required to be reported under GASB Statements No. 14 and No. 39, and is not a component unit of another governmental agency.

*B. Government-wide and fund financial statements*

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

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

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

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

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

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

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

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

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

The *County Indigent Claims Special Revenue Fund* was created by Section 7-20-3, New Mexico Statutes Annotated, 1978 Compilation to account for funds reserved from a County excise tax equal to one eighth of one percent of the "county gross receipts tax" adopted through County Ordinance 86-17. Expenditures are restricted to indigent care.

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

Additionally, the government reports the following agency fund:

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

D. *Assets, Liabilities and Net Assets or Fund Equity*

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

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

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

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

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

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

NOTE 1.      **Summary of Significant Accounting Policies (continued)**

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

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

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

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

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

**Restricted Assets:** Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended. Debt service cash is restricted for future debt payments.

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

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

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

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

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

**Accrued Expenses:** Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2011, along with applicable PERA, FICA, Retiree Health Care contributions, and Medicare payable.

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

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

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

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

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

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

**Long-term Obligations:** In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. For bonds that were issued after GASB Statement No. 34 was implemented by the County, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. There were no bond premiums or discounts at June 30, 2011. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

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

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

- a. Invested in capital assets, net of related debt: Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets: Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net assets restricted for "special revenue, debt service, and capital projects" are described on pages 30-31 and 76-85.
- c. Unrestricted Net Assets: All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

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

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

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

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

	Excess (deficiency) of revenues over expenditures	
	Original Budget	Final Budget
Budgeted Funds:		
General	\$ 4,572,130	\$ 4,810,664
Road Special Revenue Fund	\$ (3,183,253)	\$ (3,120,684)
Adult Detention Center Special Revenue Fund	\$ (2,713,569)	\$ (2,932,062)
County Indigent Claims Special Revenue Fund	\$ (474,999)	\$ (474,910)
County Debt Service Fund	\$ -	\$ -
Nonmajor Funds	\$ (3,653,426)	\$ (5,074,866)

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

Since accounting principles applied for purposes of developing revenues and expenditures on the budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the net change in fund balances is presented for the year ended June 30, 2011. Reconciliations between the Non-GAAP budgetary basis amounts and the financials statements on the GAAP basis by fund can be found on the individual budgetary comparison statements.

NOTE 3. Deposits and Investments

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. The County is not aware of any invested funds that did not meet the State investment requirements as of June 30, 2011.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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

**NOTE 3. Deposits and Investments (continued)**

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

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

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Under the Transaction Account Guarantee Program (TAGP) in effect from July 1, 2010 to December 31, 2010, time deposits, savings deposits and interest bearing negotiable order of withdrawal (NOW) accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. The TAGP program expired on December 31, 2010. On November 9, 2010, the FDIC Board of Directors issued a final rule to implement the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides temporary unlimited coverage for noninterest-bearing transaction accounts in all FDIC-insured depository institutions. The separate coverage on noninterest-bearing transaction accounts became effective on December 31, 2010 and will terminate on December 31, 2012. From December 31, 2010 to July 20, 2011 accounts held by an official custodian for a government unit are insured as follows:

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

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

**Custodial Credit Risk** – Custodial credit risk is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County does not have a policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978). New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least one half of the amount on deposit with the institution. At June 30, 2011, \$25,047,265 of the County's deposits of \$25,873,046 were exposed to custodial credit risk, \$18,264,648 was uninsured and collateralized by collateral held by the pledging bank's department or agent, not in the County's name, and \$6,782,617 was uninsured and uncollateralized.

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

**NOTE 3. Deposits and Investments (continued)**

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

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

Credit Risk

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

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

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

**NOTE 3. Deposits and Investments (continued)**

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

Investment Type	Rating	Fair Value	WAM
New MexiGROW LGIP	AAAm	\$ 30,033	36 days
Reserve Contingency Fund	Unrated	\$ 5,782	Does not earn interest
U.S. Treasury Money Market Mutual Fund	N/C	\$ 695,596	< 1 year

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

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

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

Reconciliation to the Statement of Net Assets:

Cash and cash equivalents per Exhibit A-1	\$ 9,337,753
Investments per Exhibit A-1	2,545,576
Restricted cash and cash equivalents per Exhibit A-1	285,834
Agency funds cash and cash equivalents per Exhibit D-1	<u>12,754,393</u>
Total	24,923,556
Add: outstanding checks	1,717,342
Less: deposits in transit	(36,441)
Less: LGIP Investments held with the State of New Mexico	(35,815)
Less: U.S. Treasury Money Market Mutual Funds	<u>(695,596)</u>
Bank balance of deposits	<u>\$ 25,873,046</u>

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

**NOTE 4. Receivables**

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

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

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

In accordance with GASB Statement No. 33, revenues in the amount of \$1,925,676 that were not received during the period of availability have been presented as deferred revenue in the fund financial statements.

**NOTE 5. Interfund Receivables, Payables, and Transfers**

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

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

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

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

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

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

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

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

**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2011 follows. Land and construction in progress are not subject to depreciation.

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

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

**NOTE 6. Capital Assets (continued)**

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

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

**NOTE 7. Long-term Debt**

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

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

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

**NOTE 7. Long-term Debt (continued)**

Bonds Payable

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

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

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

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

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

**NOTE 7. Long-term Debt (continued)**

NMFA Revenue Notes

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

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

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

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

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

NOTE 7. Long-term Debt (continued)

Capital Leases

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

Description	Date of Issue	Term	Interest Rate	Original amount of issue	Balance June 30, 2011
Key Government Finance, Inc.	January 17, 2008	January 17, 2013	4.83%	\$ 66,848	\$ 22,247
John Deere Credit-Motor Grader	December 4, 2007	January 1, 2013	5.25%	178,290	133,676
Total capital leases					<u>\$ 155,923</u>

During the year ended June 30, 2011, the County returned equipment under a capital lease agreement. Equipment returned carried a net book value less than related debt, which resulted in a gain on return of capital lease in the amount of \$166,558.

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

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

Operating Leases

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

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

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2011, compensated absences decreased \$25,728 from the prior year accrual.

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

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

**NOTE 8. Landfill Closure and Postclosure Care**

State law, federal law and various regulations require that Valencia County place a final cover on its landfill when it is closed, and perform certain maintenance and monitoring functions at the landfill for 30 years after the closure. Therefore, the County has recognized in its financial statements both operating expenses for current year landfill activities, and an expense provision and related liability for the future closure and postclosure care costs that will be incurred near or after the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on management's estimates of the landfill capacity used to date. In the fiscal year ended June 30, 2011, the landfill reached 100% of its capacity and it is expected to be closed during the next fiscal year. The estimated liability for the County's landfill closure and postclosure care was \$435,000 as of June 30, 2011, which was a increase of \$229,530 from the prior year's estimate. Total amount paid by the County for closure and postclosure costs during the year ended June 30, 2011 was \$328,175. These estimates change due to inflation or deflation, changes in technology, and applicable laws or regulations.

The County has approved \$69,368 in its operating budget for the upcoming fiscal year ending June 30, 2011, for these estimated closure and postclosure care costs. The County is actively seeking additional available funds to finance the necessary improvements. The County has contracted with specialists in the area of landfill closures to ensure the closure is performed properly and meets all applicable codes and regulations of the State of New Mexico.

**NOTE 9. Risk Management**

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

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

**NOTE 10. Other Required Individual Fund Disclosures**

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

- A. Deficit fund balance of individual funds. The following funds reflected a deficit fund balance as of June 30, 2011:

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

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

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

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

NOTE 10. Other Required Individual Fund Disclosures (continued)

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

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

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

C. Designated cash appropriations exceeded prior year available balances. The following funds exceeded designated cash appropriations in excess of available balances for the year ended June 30, 2011:

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

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

NOTE 11. Pension Plan- Public Employees Retirement Association

*Plan Description:* Substantially all of Valencia County's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978.) The Public Employee Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

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

NOTE 11. Pension Plan- Public Employees Retirement Association (Continued)

*Funding Policy:* Plan members are required to contribute the following percentages of their gross salary: 16.3% for law enforcement and fire protection employees; and 9.15% for County employees. The County was required to contribute the following percentages of the gross covered salary: 27.80% for law enforcement and fire protection plan members; and 12.15% for County plan members. The contribution requirements of plan members and Valencia County are established in State Statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the fiscal years ending June 30, 2011, 2010, and 2009 were \$997,661, \$1,381,517, and \$988,517, respectively, which equal the amount of the required contributions for each fiscal year.

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

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

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

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

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](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. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

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

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

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

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

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

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

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

Valencia County's contributions to the RHCA for the years ended June 30, 2011, 2010, and 2009 were \$113,247, \$84,871, and \$83,883, respectively, which equal the required contributions for each year.

**NOTE 13. Joint Powers Agreements**

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

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

The County is a participant in separate joint powers agreements with the Socorro County, Village of Los Lunas, Pueblo of Isleta, Village of Bosque Farms, City of Belen, Otero County, Town of Peralta, and Santo Domingo Pueblo to provide for the housing and care of adult prisoners arrested by the above jurisdictions. Valencia County agrees to report revenues while the other participants agree to report expenditures. All parties are responsible for their share of the agreement. The agreements were entered into in December 2005 and are effective until December 2011. The amount of the project and the County contributions are not readily determinable. The participants are responsible for the audit of their own related expenditures.

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

**NOTE 14. Commitments**

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

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

**NOTE 15. Pollution Remediation Obligation**

In September of 2001, the New Mexico Environment Department (the Department) assessed a landfill closure related fine of \$900,000 against the County. The County has been negotiating with the Department to obtain credit toward payment of the fine, for expenditures the County has already made on related landfill clean-up. On November 30, 2010, the parties engaged in settlement discussions have agreed in a compromise and settlement of all violations that the County shall pay New Mexico Environment Department \$50,000. The payment was due within thirty days of the settlement. The County has paid in full the entire \$50,000 by June 30, 2011, therefore the landfill liability of \$900,000 that was recorded in previous years has been satisfied.

**NOTE 16. Federal and State Grants**

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

**NOTE 17. Concentrations**

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

**NOTE 18. Net Assets**

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

**NOTE 19. Restatement**

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

**NOTE 20. Subsequent Events**

**LGIP Investment in the Reserve Primary Fund**

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

On July 15, 2010, the Reserve announced that it will begin its seventh distribution to Primary Fund shareholders on or about July 16, 2010. The distribution, in the amount of approximately \$215 million, represents approximately 67% of the Fund's remaining asset value of \$323 million as of the close of business on July 9, 2010. Including this seventh distribution, \$50.7 billion of Fund assets as of the close of business on September 15, 2008, will have been returned to investors. There have been no additional distributions in the past year.

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

**NOTE 20. Subsequent Events (Continued)**

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

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

**NOTE 21. Subsequent Pronouncements**

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

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

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

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

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

SUPPLEMENTARY INFORMATION

BOOK 72 PAGE 626

NONMAJOR GOVERNMENTAL FUNDS

BOOK 72 PAGE 627

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

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**SPECIAL REVENUE FUNDS (continued)**

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

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

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

**444 – Solid Waste Performance** – The fund was created as a contract surety bond for insuring services for the solid waste program. Created by County Commission resolution.

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

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

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

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

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

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

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

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

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

STATE OF NEW MEXICO  
Valencia County  
Nonmajor Governmental Funds  
June 30, 20111

**SPECIAL REVENUE FUNDS (continued)**

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

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

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

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

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

**CAPITAL PROJECTS FUNDS**

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

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

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

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

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

**CAPITAL PROJECTS FUNDS (continued)**

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

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

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

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

**441 – Legislative Appropriation FY 09/10** – This fund was created under authority of the county commission to account for appropriations to Valencia County for year 2009/2010 to plan, design, and construct community centers, infrastructure, and fire departments for several communities.

**450 – Legislative Appropriation FY 10/11** – This fund was created under authority of the county commission to account for appropriations to Valencia County for year 2010/2011 to plan, design, and construct community centers, infrastructure, and fire departments for several communities.

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

**DEBT SERVICE FUNDS**

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

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

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

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

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

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

The accompanying notes are an integral part of these financial statements

Special Revenue						
Older American	Fire Protection	EMS	Wildlife Fire Reimbursement	Neighborhood Watch	Valuation Maintenance	
\$ 33,138	\$ 422,151	\$ 10,926	\$ -	\$ 1,652	\$ 476,803	
-	181,446	-	-	-	-	
-	-	-	-	-	57,127	
1,945	-	-	-	-	-	
-	-	-	-	-	-	
-	30,250	-	-	-	5,613	
-	-	-	-	-	-	
\$ 35,083	\$ 633,847	\$ 10,926	\$ -	\$ 1,652	\$ 539,543	
\$ 3,683	\$ 3,209	\$ 378	\$ -	\$ -	\$ 1,984	
22,597	-	-	469	-	10,881	
-	-	-	-	-	50,127	
-	-	-	4,522	-	-	
26,280	3,209	378	4,991	-	62,992	
-	30,250	-	-	-	5,613	
-	-	-	-	-	-	
-	-	-	-	1,652	470,938	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	600,388	10,548	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
8,803	-	-	-	-	-	
-	-	-	(4,991)	-	-	
8,803	630,638	10,548	(4,991)	1,652	476,551	
\$ 35,083	\$ 633,847	\$ 10,926	\$ -	\$ 1,652	\$ 539,543	

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

	Special Revenue			
	Fire Excise Tax	Law Enforcement	EMS-GRT	Tome Adelino Community Center
<b>Assets</b>				
Cash and cash equivalents	\$ 524,440	\$ 328	\$ 139,069	\$ 82,919
Investments	197,533	-	-	-
Property taxes receivable, net	-	-	-	-
Due from other governments	41,179	-	273,390	-
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 763,152</b>	<b>\$ 328</b>	<b>\$ 412,459</b>	<b>\$ 82,919</b>
<b>Liabilities and fund balances</b>				
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 4,545	\$ -	\$ -	\$ -
Accrued payroll expenses	-	-	15,424	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>4,545</b>	<b>-</b>	<b>15,424</b>	<b>-</b>
<b>Fund balances</b>				
Nonspendable				
Prepaid expenses	-	-	-	-
Inventory	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Older American programs	-	-	-	-
Public safety	758,607	328	397,035	-
Healthcare	-	-	-	-
Recreation	-	-	-	82,919
Capital improvements and acquisitions	-	-	-	-
Debt service expenditures	-	-	-	-
Committed to:				
Senior center	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>758,607</b>	<b>328</b>	<b>397,035</b>	<b>82,919</b>
<b>Total liabilities and fund balances</b>	<b>\$ 763,152</b>	<b>\$ 328</b>	<b>\$ 412,459</b>	<b>\$ 82,919</b>

The accompanying notes are an integral part of these financial statements

Special Revenue					
CDBG	Law Enforcement Explorer Program	G.R.E.A.T Grant	Solid Waste Performance	Solid Waste GRT	Clerk's Equipment
\$ -	\$ 840	\$ 10	\$ 12,500	\$ 1,411	\$ 234,294
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	34,200	-
-	-	-	-	-	-
-	-	-	-	11,420	-
-	-	-	-	-	-
\$ -	\$ 840	\$ 10	\$ 12,500	\$ 47,031	\$ 234,294
\$ -	\$ -	\$ -	\$ -	\$ 29,218	\$ -
-	-	-	-	12,265	-
-	-	-	-	-	-
10,622	-	-	-	-	-
10,622	-	-	-	41,483	-
-	-	-	-	11,420	-
-	-	-	-	-	-
-	-	-	12,500	-	234,294
-	-	-	-	-	-
-	-	-	-	-	-
-	840	10	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(10,622)	-	-	-	-	-
(10,622)	840	10	12,500	(5,872)	-
\$ -	\$ 840	\$ 10	\$ 12,500	\$ 47,031	\$ 234,294

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

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

The accompanying notes are an integral part of these financial statements

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

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

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

The accompanying notes are an integral part of these financial statements

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

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

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

The accompanying notes are an integral part of these financial statements

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

STATE OF NEW MEXICO  
Valencia County  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2011

	Special Revenue			
	Farm and Range	Recreation	Juvenile Detention	GRT- Regional Transit
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	749,960
Intergovernmental:				
Federal operating grants	2,728	-	-	-
State operating grants	-	21,000	19,891	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	300	-
<i>Total revenues</i>	<u>2,728</u>	<u>21,000</u>	<u>20,191</u>	<u>749,960</u>
<i>Expenditures</i>				
Current				
General government	4,000	-	-	750,305
Public safety	-	-	458,222	-
Public works	-	-	-	-
Culture and recreation	-	20,019	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>4,000</u>	<u>20,019</u>	<u>458,222</u>	<u>750,305</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,272)</u>	<u>981</u>	<u>(438,031)</u>	<u>(345)</u>
<i>Other financing sources (uses)</i>				
Transfers in	569	21	455,761	-
Transfers out	-	-	-	-
Loan proceeds	-	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>569</u>	<u>21</u>	<u>455,761</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>(703)</u>	<u>1,002</u>	<u>17,730</u>	<u>(345)</u>
<i>Fund balance - beginning of year</i>	<u>(569)</u>	<u>14,925</u>	<u>(32,942)</u>	<u>137,040</u>
<i>Restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - restated</i>	<u>(569)</u>	<u>14,925</u>	<u>(32,942)</u>	<u>137,040</u>
<i>Fund balance - end of year</i>	<u>\$ (1,272)</u>	<u>\$ 15,927</u>	<u>\$ (15,212)</u>	<u>\$ 136,695</u>

The accompanying notes are an integral part of these financial statements

Special Revenue					
Older American	Fire Protection	EMS	Wildlife Fire Reimbursement	Neighborhood Watch	Valuation Maintenance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,693
-	711,685	51,771	-	-	-
-	-	-	-	-	-
22,903	21,015	784	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	55
22,903	732,700	52,555	-	-	347,748
-	-	-	-	-	334,526
-	509,264	52,103	8,344	-	-
-	-	-	-	-	-
24,470	-	-	-	-	-
-	-	-	-	-	-
-	57,617	-	-	-	-
-	157,480	-	-	-	-
-	10,450	-	-	-	-
-	4,337	-	-	-	-
24,470	739,148	52,103	8,344	-	334,526
(1,567)	(6,448)	452	(8,344)	-	13,222
-	57,691	1,425	-	-	-
-	-	-	-	-	-
-	293,496	-	-	-	-
-	-	-	-	-	-
-	351,187	1,425	-	-	-
(1,567)	344,739	1,877	(8,344)	-	13,222
10,370	285,899	8,671	3,353	1,652	463,329
-	-	-	-	-	-
10,370	285,899	8,671	3,353	1,652	463,329
\$ 8,803	\$ 630,638	\$ 10,548	\$ (4,991)	\$ 1,652	\$ 476,551

STATE OF NEW MEXICO  
Valencia County  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2011

	Special Revenue			
	Fire Excise Tax	Law Enforcement	EMS-GRT	Tome Adelino Community Center
<i>Revenues</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	157,649	48,600	1,664,375	15,675
Intergovernmental:				
Federal operating grants	35,720	-	-	-
State operating grants	22	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Investment income	80	-	-	21
Miscellaneous	14,012	-	-	-
<i>Total revenues</i>	<u>207,483</u>	<u>48,600</u>	<u>1,664,375</u>	<u>15,696</u>
<i>Expenditures</i>				
Current				
General government	-	-	-	-
Public safety	199,413	456	1,483,812	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	165,371	67,556	-	-
Debt service:				
Principal	110,560	-	-	-
Interest	1,735	-	-	-
Bond issuance costs	5,080	-	-	-
<i>Total expenditures</i>	<u>482,159</u>	<u>68,012</u>	<u>1,483,812</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(274,676)</u>	<u>(19,412)</u>	<u>180,563</u>	<u>15,696</u>
<i>Other financing sources (uses)</i>				
Transfers in	167,355	64,338	-	-
Transfers out	(226,471)	-	-	-
Loan proceeds	343,762	-	-	-
Bond Proceeds	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>284,646</u>	<u>64,338</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>9,970</u>	<u>44,926</u>	<u>180,563</u>	<u>15,696</u>
<i>Fund balance - beginning of year</i>	<u>748,637</u>	<u>(44,598)</u>	<u>216,472</u>	<u>67,223</u>
<i>Restatement</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - restated</i>	<u>748,637</u>	<u>(44,598)</u>	<u>216,472</u>	<u>67,223</u>
<i>Fund balance - end of year</i>	<u>\$ 758,607</u>	<u>\$ 328</u>	<u>\$ 397,035</u>	<u>\$ 82,919</u>

The accompanying notes are an integral part of these financial statements

Special Revenue					
CDBG	Law Enforcement Explorer Program	G.R.E.A.T Grant	Solid Waste Performance	Solid Waste GRT	Clerk's Equipment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	150,085	57,652
68,235	-	-	-	-	-
-	-	-	-	973	-
-	-	-	-	-	-
-	-	-	-	270,067	-
-	-	-	-	-	-
-	-	-	-	25	108
68,235	-	-	-	421,150	57,760
-	-	-	-	779,018	14,273
-	120	-	-	-	-
25,882	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	8,244	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
25,882	120	-	-	787,262	14,273
42,353	(120)	-	-	(366,112)	43,487
-	-	-	-	326,795	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	326,795	-
42,353	(120)	-	-	(39,317)	43,487
(52,975)	960	10	12,500	44,865	190,807
-	-	-	-	-	-
(52,975)	960	10	12,500	44,865	190,807
\$ (10,622)	\$ 840	\$ 10	\$ 12,500	\$ 5,548	\$ 234,294

STATE OF NEW MEXICO  
Valencia County  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

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

STATE OF NEW MEXICO  
Valencia County  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO  
Valencia County  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

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

STATE OF NEW MEXICO  
Valencia County  
Farm and Range Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

Statement B-01

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

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-02

Valencia County

Recreation Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-03

Valencia County

Juvenile Detention Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 254

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-04

Valencia County

GRT- Regional Transit Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 655

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-05

Valencia County

Older American Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 056

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-06

Valencia County

Fire Protection Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-07

Valencia County

EMS Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 658

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-08

Valencia County

Wildlife Fire Reimbursement Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 659

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 Valencia County  
 Neighborhood Watch Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended June 30, 2011

Statement B-09

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

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-10

Valencia County

Valuation Maintenance Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 661

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-11

Valencia County

Fire Excise Tax Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 552

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-12

Valencia County

Law Enforcement Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 663

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-13

Valencia County

EMS-GRT Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 664

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-14

Valencia County

Tome Adelino Community Center Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	15,675	15,675
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	21	21
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	15,696	15,696
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	15,696	15,696
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	15,696	15,696
<i>Fund balance - beginning of year</i>	-	-	67,223	67,223
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 82,919	\$ 82,919
<i>Net change in fund balance (Budget Basis)</i>				\$ 15,696
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				\$ 15,696

BOOK 72

PAGE 665

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-15

Valencia County

CDBG Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 666

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-16

Valencia County

Law Enforcement Explorer Program Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

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

BOOK 72

PAGE 667

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
Valencia County  
G.R.E.A.T Grant Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

Statement B-17

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	10	10
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 10	\$ 10
<i>Net change in fund balance (Budget Basis)</i>				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)<sup>1</sup></i>				\$ -

BOOK 72

PAGE 668

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

Valencia County

Solid Waste Performance Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	12,500	12,500	-	(12,500)
<i>Total revenues</i>	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>(12,500)</u>
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>(12,500)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(12,500)	(12,500)	-	12,500
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(12,500)</u>	<u>(12,500)</u>	<u>-</u>	<u>12,500</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>12,500</u>	<u>12,500</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,500</u>	<u>\$ 12,500</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ -</u>

BOOK 72

PAGE 669

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-19

Valencia County

Solid Waste GRT Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 670

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-20

Valencia County

Clerk's Equipment Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 671

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-21

## Valencia County

Department of Justice Assistance Programs Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

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

BOOK 72

PAGE 672

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-22

Valencia County

Special Revenue Bond Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 673

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
Valencia County  
Sheriff's GRT Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

Statement B-23

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

BOOK 72 PAGE 674

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-24

Valencia County

Road GRT Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 675

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-25

Valencia County

Fire GRT Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 676

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-26

Valencia County

Traffic Safety Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 677

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
Valencia County  
Homeland Security Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

Statement B-27

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

BOOK 72

PAGE 578

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-28

Valencia County

Title III-B Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BODR 72

PAGE 679

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-29

Valencia County

Title III-E Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 680

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-30

Valencia County

Title C-1 Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 681

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-31

Valencia County

Title C-2 Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 682

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-32

Valencia County

Cash in Lieu Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 683

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-33

## Valencia County

## Bonds/Judicial Renovation Capital Projects Fund

## Statement of Revenues, Expenditures, and Changes in Fund Balance

## Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-34

## Valencia County

Legislative Appropriation FY 02/03 Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

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

BOOK 72

PAGE 685

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-35

Valencia County

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

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	5,554	5,554	-	5,554
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	5,554	5,554	-	5,554
<i>Excess (deficiency) of revenues over expenditures</i>	(5,554)	(5,554)	-	5,554
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	5,554	5,554	-	(5,554)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	5,554	5,554	-	(5,554)
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	(103,771)	(103,771)
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ (103,771)	\$ (103,771)
<i>Net change in fund balance (Budget Basis)</i>				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				\$ -

BOOK 72

PAGE 686

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-36

Valencia County

Legislative Appropriation FY 04/05 Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	(104,221)	(104,221)
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ (104,221)	\$ (104,221)
<i>Net change in fund balance (Budget Basis)</i>				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				\$ -

BOOK 72

PAGE 687

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
Valencia County  
Tome Adelino Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

Statement B-37

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	141,676	141,676
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>141,676</u>	<u>141,676</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>141,676</u>	<u>141,676</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>141,676</u>	<u>141,676</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(141,676)</u>	<u>(141,676)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 141,676
Adjustments to revenues for state capital grants accrual				(141,676)
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ -</u>

BOOK 72 PAGE 588

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-38

## Valencia County

Legislative Appropriation FY 06/07 Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	6,824	6,824
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>6,824</u>	<u>6,824</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>6,824</u>	<u>6,824</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>6,824</u>	<u>6,824</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(295,094)</u>	<u>(295,094)</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (288,270)</u>	<u>\$ (288,270)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ 6,824
Adjustments to revenues for state capital grants accruals				(6,824)
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ -</u>

BOOK 72

PAGE 685

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-39

Valencia County

Legislative Appropriation FY 07/08 Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

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

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-40

## Valencia County

Legislative Appropriation FY 08/09 Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

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

BOOK 72

PAGE 881

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-41

Valencia County

Legislative Appropriation FY 09/10 Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	11,273	11,273
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>11,273</u>	<u>11,273</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	150,000	150,000	108,607	41,393
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>150,000</u>	<u>150,000</u>	<u>108,607</u>	<u>41,393</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(150,000)</u>	<u>(150,000)</u>	<u>(97,334)</u>	<u>52,666</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	150,000	150,000	-	(150,000)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
<i>Net change in fund balance</i>	-	-	(97,334)	(97,334)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (97,334)</u>	<u>\$ (97,334)</u>
<i>Net change in fund balance (Budget Basis)</i>				\$ (97,334)
Adjustments to revenues for state capital grants accruals				97,334
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				<u>\$ -</u>

BOOK 72

PAGE 692

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-42

## Valencia County

Legislative Appropriation FY 10/11 Capital Projects Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	881,351	11,494	(869,857)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	881,351	11,494	(869,857)
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	881,351	11,494	869,857
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	881,351	11,494	869,857
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balance (Budget Basis)</i>				\$ -
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				\$ -

BOOK 72

PAGE 693

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-43

Valencia County

Corrections GRT Capital Projects Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 294

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-44

Valencia County

El Cerro Pump Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures</i>				
Current:				
General government	-	-	18,903	18,903
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	18,903	18,903
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(18,903)	(18,903)
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balance</i>	-	-	(18,903)	(18,903)
<i>Fund balance - beginning of year</i>	-	-	120,535	120,535
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 101,632	\$ 101,632
<i>Net change in fund balance (Budget Basis)</i>				\$ (18,903)
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				\$ (18,903)

BOOK 72

PAGE 295

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-45

## Valencia County

## Meadow Lake Fire Department Debt Service Fund

## Statement of Revenues, Expenditures, and Changes in Fund Balance

## Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 696

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-46

Valencia County

Highland Meadow Fire Department Debt Service Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

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

BOOK 72

PAGE 697

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-47

Valencia County

Bond/Public Safety/E-911 Facility Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues</i>				
Taxes:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	150	150
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	150	150
<i>Expenditures</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	150	150
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Loan Proceeds	-	-	425,000	(425,000)
<i>Total other financing sources (uses)</i>	-	-	425,000	(425,000)
<i>Net change in fund balance</i>	-	-	425,150	(424,850)
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	\$ -	\$ -	\$ 425,150	\$ (424,850)
<i>Net change in fund balance (Budget Basis)</i>				\$ 425,150
No adjustments for revenue accruals				-
No adjustments for expenditure accruals				-
<i>Net change in fund balance (GAAP Basis)</i>				\$ 425,150

BOOK 72

PAGE 692

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-48

Valencia County

County Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

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

BOOK 72

PAGE 699

The accompanying notes are an integral part of these financial statements

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BOOK 72

PAGE 700

SUPPORTING SCHEDULES

BOOK 72 PAGE 701

STATE OF NEW MEXICO  
Valencia County  
Schedule of Collateral Pledged by Depository for Public Funds  
June 30, 2011

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

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

BOOK 72 PAGE 702

See accompanying independent auditors' report

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

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

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

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

Total cash, cash equivalents and investments

BOOK 72 PAGE 704

See accompanying independent auditors' report

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

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

Schedule III

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

BOOK 72                      PAGE 704

See accompanying independent auditors' report

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

Schedule IV

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

BOOK 72 PAGE 707

See accompanying independent auditors' report

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

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

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

See accompanying independent auditors' report

BOOK 72      PAGE 707-A

Expenditures To Date	Remaining Grant Balance
\$ 65,138	\$ 380,362
1,285	113,715
108,606	41,394
-	869,851
<u>\$ 175,029</u>	<u>\$ 1,405,322</u>

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BOOK 72 PAGE 709

COMPLIANCE SECTION

BOOK 72

PAGE 709



Accounting & Consulting Group, LLP  
Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparisons for the General Fund and major special revenue funds, and the aggregate remaining fund information of Valencia County (County), New Mexico, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 10, 2011. Our report is qualified because we were unable to verify capital assets, the related accumulated depreciation and the current year depreciation accrual. Further, we were unable to determine the effect, if any, on net assets and the change in net assets. We were also unable to verify the County's cash balances allocated at the individual fund level which did not reconcile with the control cash account for the governmental funds. As a result, there was no effective way to determine whether the cash balances at the fund level were materially correct. The amount by which allocation would effect the assets, fund balances, revenues and expenditures of the governmental funds is not reasonably determinable. We also have audited the financial statements of each of the County's nonmajor governmental funds and budgetary comparisons for the County Debt Service Fund, and the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011 as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 2007-10, FS 2007-12, FS 2007-14, FS 2007-16, FS 2007-17, FS 2008-01, FS 2009-01, FS 2011-01, and 2011-03 to be material weaknesses.

BOOK 72

PAGE 710

A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 2010-06 and FS 2011-04 to be significant deficiencies.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 2007-12, FS 2007-17, FS 2009-03 and FS 2010-04.

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings FS 2010-01, and FS 2011-02.

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

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

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
November 10, 2011

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BOOK 72 PAGE 712

FEDERAL FINANCIAL ASSISTANCE

BOOK 72

PAGE 713



Accounting & Consulting Group, LLP  
Certified Public Accountants

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

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

Compliance

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

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

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

Internal Control Over Compliance

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

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

BOOK 72

PAGE 714

142

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

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

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

*Accounting & Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
November 10, 2011

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

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

(1) Major program

BOOK 72 PAGE 716

See accompanying independent auditors' report

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation

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

Subrecipients

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

Non-Cash Federal Assistance

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

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

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

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

Schedule VII  
Page 1 of 17

Section I – Summary or Audit Results:

*Financial Statements:*

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

*Federal Awards:*

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

4. Identification of major programs:

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

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

**FINANCIAL STATEMENT FINDINGS:**

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

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

*Criteria:* According to the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 115, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems include controls over financial statement preparation, including footnote disclosures.

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

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

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

The training should include, but not be limited to:

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

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

*Agency's Response:* The County has acquired new accounting software that has the capacity of producing Financial Statements. Additionally, the Budget Analyst position's duties will focus on developing and implementing policies and procedures that provide the County with the capability to produce Financial Statements including footnote disclosures and supplementary information and schedules. And train current County employees to implement these procedures and compile the Financial Statements and supplementary information in the future.

**FS 2007-12 — No Ten Year Property Tax Schedule (Material Weakness and Noncompliance)**

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

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

*Effect:* The County is not in compliance with State Auditor Rule 2.2.2 12D. In addition, the County cannot document the current property tax receivable by agency, including their portion.

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

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

*Agency's Response:* The current outstanding tax listing that is run at the end of each month shows a listing by tax year of the outstanding taxes due and is broken down by residential, non-residential, livestock, non-rendition, administrative fee and Middle Rio Grande Conservancy. As of June, 2003 the IT department has produced a report that shows the outstanding taxes broken down by year and entity. It lists the taxes outstanding by entity and for each tax year starting with 2001 to the current tax year. Any data before 2001 is not available because this report was not available before that. The Treasurer's Office was given a copy of what the Ten Year Property Tax Schedule should look like from previous audit firm. This report has taken a lot of work to gather all the required information to complete for the ten years required. The Property Taxes Levied and Collections are complete for the 10 years required as well as information for the Distribution, Current Amount Uncollected, but we do not have a program that can break down the Additions & Deletions by entity. Therefore, the Report is still lacking information to have a complete Ten Year Property Tax Schedule and cannot be completed until our computer software company, Triadic, creates a program than can give us the correct break down by entity.

**FS 2007-14 — Recording/Reconciliation of Cash (Material Weakness)**

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

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

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

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

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

*Auditors' Recommendations:* We recommend that the County Manager's office and Treasurer's office work together to ensure that they have the same reconciled balances for all bank accounts. We also recommend that the Treasurer's office maintain a separate reconciliation of each bank account and each fund in order to keep track of outstanding items that affect the reconciled balance. Lastly, we recommend a documented review be performed on all bank reconciliations.

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

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

**FS 2007-16 Capital Assets (Material Weakness)**

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

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

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

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

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

*Auditors' Recommendations:* We recommend that the County adopt the statutory \$5,000 capitalization limit and all assets purchased since June 17, 2005 with a cost exceeding \$5,000 be tagged, inventoried and depreciated. We also recommend that the County follow the regulations and statutes described above under "Criteria." In addition, we recommend the County hire or train an individual possessing knowledge and experience in governmental accounting especially in the area of capital assets maintenance. We also recommend the County reconcile additions and deletions of capital assets to the general ledger and take a physical inventory yearly to develop an accurate asset listing that can be opened upon.

*Agency's Response:* During the current year, a resolution was passed by the Commission that establishes a \$5,000 capitalization amount. During the subsequent Fiscal Year, formal policies will be written where needed and procedures will be developed and documented that address, at a minimum, the following:

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

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

*Condition:* The "Tax Maintenance Report" in the Treasurer's report is not correct; therefore, uncollected property taxes are not accurately reported.

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

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

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

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

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

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

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

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

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

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

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

- Management does not track capital asset acquisitions and remaining costs and compares to capital budgets.
- Capital asset listings are routed to the appropriate managers to determine whether the assets still physically exist, but are not completed.
- The capital assets subledger is not reviewed and reconciled to the general ledger.
- Capital asset depreciation charges are not calculated correctly by the automated system and are not reviewed for reasonableness by management.
- Disposals of capital assets are not reviewed by management and entered into the capital assets subledger by accounting personnel in a timely fashion.
- Bank reconciliations not reviewed.
- The check signer does not review all supporting documentation prior to signing a check.
- No reconciliation of outstanding debt instruments to the general ledger is prepared and reviewed timely.
- The government does not have review procedures in place to determine compliance with debt agreement restrictions and procedures and adherence to those procedures is not reviewed by the appropriate level of management or another appropriate person.
- Bank statements are not received and reviewed by a responsible person other than the person who reconciles the bank account before being submitted for reconciliation.
- Those charged with governance are not actively involved and have significant influence over the entity's internal control environment and its financial reporting.

*Criteria:* NMAC 6.20.2.11 states:

- A. Every County shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.
- B. Each County shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.
- (1) County management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the County.
  - (2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with County authorization.
  - (3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.
  - (4) The County shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.
  - (5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, Counties shall establish any other criteria applicable to such statements to maintain accountability for assets.
  - (6) Counties shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.
- C. An internal control structure is required to demonstrate the County's ability to record, process, summarize and report financial data consistent with the following financial statement assertions:
- (1) rights and ownership;
  - (2) existence and occurrence;
  - (3) valuation and allocations;
  - (4) completeness; and,
  - (5) presentation and disclosure.

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

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

The SAS No. 115 Appendix lists the following circumstances as possible control deficiency, significant deficiency, or material weakness, "inadequate documentation of the components of internal control." SAS 115 paragraph 19 states that ineffective oversight of the agency's financial reporting and internal control by those charged with governance should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

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

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

*Auditors' Recommendations:* The County should ensure that a comprehensive internal control structure over financial information is designed, documented, and implemented. Management should follow and ensure that all staff follows the County's documented internal control procedures. The County Commission is charged with governance and should provide effective oversight of the internal control and financial reporting process.

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

**FS 2009-01- Entity-Wide Control Deficiency (Material Weakness)**

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

- Material weaknesses, such as property tax receivable and capital assets have been repeated year after year.
- Management's philosophy and operating style are not consistent with a sound control environment and have a pervasive effect on the entity. Management does not analyze the risks and benefits of new activities, assesses turnover among employees, investigates and resolves improper business practices, views accounting as a means to monitor and control the various activities of the organization, and adopts accounting policies that reflect the economic realities of the governmental unit.
- Management has not established practices for the identification of risks affecting the entity as well as appropriate fraud risk assessment and monitoring processes.
- Management does not monitor controls over financial reporting through ongoing monitoring, independent evaluations, and remediation of identified deficiencies.

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

**FS 2009-01- Entity-Wide Control Deficiency (Material Weakness) (Continued)**

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

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

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

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

**FS 2009-03 — Cash Appropriations in Excess of Available Cash Balances (Noncompliance)**

*Condition:* The County rebudgeted "cash balances" in excess of available cash balances in the following funds:

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

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

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

*Cause:* The reason for these deficits is inadequate monitoring of cash available to be rebudgeted.

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

*Agency's Response:* The County has established a practice of preparing an Appropriated Cash Report at the beginning of the fiscal year to ensure that there is adequate cash or budgeted revenue. All subsequent Budget Resolutions will include revenue budgets as well as expense budgets.

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

*Condition:* During testwork we noted the following condition:

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

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

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

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

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

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

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

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

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

*Criteria:* Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*Condition:* During our testwork, we noted the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**FEDERAL AWARD FINDINGS:**

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

Federal program information:

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

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

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

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

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

*Questioned Costs:* None

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

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

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

Federal program information:

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

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

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

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

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

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

*Cause:* The County was unaware of compliance requirement guidance.

*Questioned Costs:* \$67

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

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

**FA 2011-03 Reporting – (Significant Deficiency)**

Federal program information:

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

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

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

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

*Cause:* The County was unaware of compliance requirements.

*Questioned Costs:* none

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

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

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

Federal program information:

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

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

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

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

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

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

*Questioned Costs:* None

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

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

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

Schedule VII  
Page 16 of 17

**FA 2011-05 Excluded Parties List (Significant Deficiency)**

Federal program information:

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

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

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

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

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

*Questioned Costs:* None

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

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

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

Schedule VII  
Page 17 of 17

**STATUS OF PRIOR YEAR FINDINGS:**

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

FS 2007-12 — No ten Year Property Tax Schedule – Repeated and Modified

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

FS 2007-16 — Capital Assets – Repeated

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

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

FS 2008-02— Stale Dated Checks – Resolved

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

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

FS 2010-01— Travel and Per Diem – Repeated

FS 2010-03— Gas Inventory – Resolved

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

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

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

BOOK 72 PAGE 734

STATE OF NEW MEXICO

Valencia County

Other Disclosures

June 30, 2011

**OTHER DISCLOSURES**

**Exit Conference**

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

**Valencia County**

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

**Accounting & Consulting Group, LLP**

Ray Roberts, CPA, Partner

**Auditor Prepared Financial Statements**

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

VALENCIA COUNTY  
BOARD OF COUNTY COMMISSIONERS  
ACCOUNTS PAYABLE AUTHORIZATION

*Sally Perea*

The attached computer printout lists all the checks issued by the Manager's Office on December 20, 2011 covering vendor bills processed on the above date.  
Check # 111330 to #111439 inclusive, for the total of \$412,890.28.

All have been reviewed for:

1. Appropriate documentation and approvals.
2. Authorized budget appropriations.
3. Compliance with New Mexico Statutes, and
4. DFA Rules and Regulations.

In recognition of the above, the Fiscal Office requests this action be officially recorded in the minutes of the regular county commission meeting before which body this matter came.

Recommended:

*Wilma Abril*  
\_\_\_\_\_  
Wilma Abril, Director of Finance

Done this 4th day of January, 2012.

VALENCIA COUNTY BOARD OF COMMISSIONERS

*Georgia Otero-Kirkham*  
\_\_\_\_\_  
Georgia Otero-Kirkham, Chair

*Vice-Chair*

*Mary J. Andersen*  
\_\_\_\_\_  
Mary J. Andersen, Vice-Chair

*Lawrence R. Romero*  
\_\_\_\_\_  
Lawrence R. Romero, Commissioner

*Ron Gentry*  
\_\_\_\_\_  
Ron Gentry, Commissioner

*Donald E. Holliday*  
\_\_\_\_\_  
Donald E. Holliday, Commissioner

*Chair*

ATTEST.

*Sally Perea*  
\_\_\_\_\_  
Sally Perea, County Clerk

(EXHIBIT N)

VALENCIA COUNTY  
BOARD OF COUNTY COMMISSIONERS  
ACCOUNTS PAYABLE AUTHORIZATION

*Sally Perea*

The attached computer printout lists all the checks issued by the Manager's Office on December 27, 2011 covering vendor bills processed on the above date.  
Check # 111442 to #111500 inclusive, for the total of \$389,201.34.

All have been reviewed for:

1. Appropriate documentation and approvals.
2. Authorized budget appropriations.
3. Compliance with New Mexico Statutes, and
4. DFA Rules and Regulations.

In recognition of the above, the Fiscal Office requests this action be officially recorded in the minutes of the regular county commission meeting before which body this matter came.

Recommended:

*Wilma Abril*

Wilma Abril, Director of Finance

Done this 4th day of January, 2012.

VALENCIA COUNTY BOARD OF COMMISSIONERS

*Georgia Otero-Kirkham*  
Georgia Otero-Kirkham, ~~Chair~~ Vice Chair

*Mary J. Andersen*  
Mary J. Andersen, Vice-Chair

*Lawrence R. Romero*  
Lawrence R. Romero, Commissioner

*Ron Gentry*  
Ron Gentry, Commissioner

*Donald E. Holliday*  
Donald E. Holliday, ~~Commissioner~~ Chair

ATTEST:

*Sally Perea*  
Sally Perea, County Clerk

( EXHIBIT O )