

COUNTY OF BERNALILLO, NEW MEXICO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2009

Grantor Agency and Grant Title	Federal CFDA Number	Grant Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development				
Direct				
Low Income Housing Assistance Programs:				
Section 8 Housing Choice Vouchers	14.871	NM057V0		\$ 12,435,902
Section 8 FSS - Homeownership	14.877	NM057 / FSS		115,462
Section 8 Contract Administrators (El Centro - New Const)	14.182	NM020003014		151,781
Capital Fund Grant (Seybold)	14.872	NM02P057501-06		14,911
Capital Fund Grant (Seybold)	14.872	NM02P057501-07		3,237
				<u>18,148</u>
Operating Fund Grant	14.850	NM057-00000108D		28,389
Operating Fund Grant	14.850	NM057-00000109D		29,415
				<u>57,804</u>
Total Direct Assistance				<u>12,779,097</u>
Pass-Through Programs From:				
NM Mortgage Finance Authority:				
HOME Investments Partnership Program				
2000 Homes	14.239		99-01-BCH-HDR-001	86,227
2000 Homes	14.239		07-05-BCH-MHR-001	320,000
Total Indirect Assistance				<u>406,227</u>
Total U.S. Department of Housing and Urban Development				<u>13,185,324</u>
U.S. Department of Transportation				
Pass-Through Programs From:				
NM Department of Transportation:				
Highway Planning and Construction:				
Edith Blvd Phase II	20.205	L3047	STP7501 (13)	1,786,987
Isleta - Debt Principle Payment	20.205		TPU-4009(3)24	1,504,717
Isleta - Debt Interest	20.205		TPU-4009(3)24	90,283
				<u>3,381,987</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated				
Operation DWI	20.608		09-AL-64-008	111,552
Operation DWI	20.608		08-AL-64-008	36,934
DWI Officer Project -4th year extension	20.608		07-AL-03-008	32,871
Impaired Driving Demonstration Project	20.608		07-AL-FTE164-008	48,386
Impaired Driving Demonstration Project	20.608		09-AL-FTE164-008	115,359
				<u>345,102</u>
National Highway Traffic Safety Administration Safety Belt Performance Grants				
100 Days & Nights	20.609		08-PT-DS-008	25,000
Selective Traffic Enforcement Program (S.T.E.P.)	20.609		08-PT-06-008	639
				<u>25,639</u>
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons				
Selective Traffic Enforcement Program (S.T.E.P.)	20.605		09-PT-06-008	22,894
NM Department of Homeland Security: Hazmat Explo 2008				
	20.703	2009-DOT-BERNALILLO	2009-DOT-BERNALILLO	10,573
Total U.S. Department of Transportation				<u>3,786,195</u>
U.S. Department of Agriculture				
National School Lunch Program				
Pass-Through Programs From:				
NM Children, Youth and Families Department:				
Summer Food Service Program for Children 08	10.559		3004-2008	141,452
Summer Food Service Program for Children 09	10.559		3004-2009	149,545
Total U.S. Department of Agriculture				<u>290,997</u>

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Executive Office of the President; Office Nat'l Drug Control Policy				
Direct				
High Intensity Drug Trafficking Area (HIDTA)	16.UNKNOWN	I6PSNP578Z		45,437
HIDTA-MRGVTF	16.UNKNOWN	I7PSNP578Z		129,169
HIDTA-supplement	16.UNKNOWN	I7PSNP578Z		42,078
HIDTA-supplement	16.UNKNOWN	I8PSNP578Z		118,659
HIDTA-MRGVTF	16.UNKNOWN	I8PSNP578Z		396,078
HIDTA	16.UNKNOWN	G09SN0013A		6,961
Total Executive Office of the President				<u>738,382</u>
U.S. Department of Justice				
Direct				
Office of Juvenile Justice and Delinquency Prevention				
Teen Anti-Drinking	16.541	2006-JL-FX-0055		24,250
Bureau of Justice Assistance				
Sex Offender Registration Unit	16.580	2008-DD-BX-0043		80,437
Total Direct Assistance				<u>104,687</u>
Pass-Through Programs From:				
City of Albuquerque:				
E. Byrne Justice Assistance Grant (JAG) 2005	16.738	2005 Byrne JAG	2005-F1723-NM-DJ	4,283
E. Byrne Justice Assistance Grant (JAG) 2006	16.738	2006-DJ-BX-1087	2006-F1861-NM-DJ	48,999
E. Byrne Justice Assistance Grant (JAG) 2007	16.738	2007-DJ-BX-1100	2007-F6659-NM-DJ	1,429
				<u>54,711</u>
NM Children, Youth and Families Dept:				
CYFD Continuum Grant	16.523	05JF-FX-0062	08-690-6365	10,431
				<u>10,431</u>
New Mexico Dept. of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant Program				
Drug Enforcement	16.738	2007-DJ-BX-0066	07-JAG-MRGV(REG 1)-FY08	45,474
Southwest Investigative Fugitive Team	16.738	2007-DJ-BX-0066	07JAG-SWIFT-FY08	43,209
Drug Enforcement	16.738	2008-GP-CX-0026	08-JAG-REGION 1-FY 09	82,639
Southwest Investigative Fugitive Team	16.738	2008-GP-CX-0026	08-JAG-SWIFT-FY09	6,400
				<u>177,722</u>
Anti-Gang Initiative				
Gun Reduction Strategy	16.744	2007-GP-CX-0066	07-PSN-BCSO-FY08	6,406
Gang Reduction	16.744	2007-PG-BX-0082	07-Anti-Gang-BCSO-FY08	19,251
Gang Reduction	16.744	2008-GP-CX-0026	08-PSN-BCSO-FY09	15,073
				<u>40,730</u>
Total Indirect Assistance				<u>283,594</u>
Total U.S. Department of Justice				<u>388,281</u>
U.S. Department of Homeland Security				
Pass-Through Programs From:				
NM Department of Homeland Security:				
Homeland Security Grant-Cluster				
2006 DHS Exercise	97.067		2006-GR-T6-0064-BERNALILLO EX	37,710
2007 DHS Equipment	97.067		2007-GE-T7-0023-BERNALILLO COUNTY	50,504
Buffer Zone Protection	97.067		2006-BZ-T6-0036-BERNALILLO BZPP	52,917
2005 Homeland Security	97.067		2005-GE-T5-0012-BERNALILLO	197,239
2006 Homeland Security	97.067		2006-GE-T6-0064-Bernalillo	33,723
World Conf Disaster Mgt. Canada	97.067		2004-GE-T4-0005-BERNCO TRAINING	2,600
				<u>374,693</u>
2008 (EMPG) Emergency Mgmt Performance Grant	97.042	2008-EMPG-BERNALILLO	2008-EMPG-BERNALILLO	152,297
Total U.S. Department of Homeland Security				<u>526,990</u>
U.S. Department of Interior				
Direct				
Bureau of Reclamation				
Water Conservation	15.517	06-FG-40-2484		9,930
Total U.S. Department of Interior				<u>9,930</u>

COUNTY OF BERNALILLO, NEW MEXICO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2009

Grantor Agency and Grant Title	Federal CFDA Number	Grant Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Environmental Protection Agency				
Direct				
Community Action for a Renewed Environment	66.035	RE-96663301-0		118,419
South Valley Sewer:				
XP-976162-01	66.202	XP-976162-01		48,126
XP-976713-01	66.202	XP-976713-01		15,968
XP-976715-01	66.202	XP-976715-01		535,380
XP-986861-01	66.202	XP-986861-01		247,604
Total U.S. Environmental Protection Agency				<u>965,497</u>
U.S. Department of Health and Human Services				
Pass-Through Programs From:				
Rio Grande Community Development Corporation, Inc. SV Partners for Environmental Justice	93.113	5R25ES014347-04	5R25ES014347-04	47,647
Total U.S. Department of Health and Human Services				<u>47,647</u>
Elections Assistance Commission				
Direct				
Help America Vote Mock Election	90.402	EAC-08-002-08		14,011
Total Elections Assistance Commission				<u>14,011</u>
Total Expenditures of Federal Awards				<u>\$ 19,953,254</u>

Note A. Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Bernalillo and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B. Subrecipients:

Of the federal expenditures presented in the schedule, the County of Bernalillo provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
HIDTA-MRGVTF - I8PSNP578Z	16.UNKNOWN	19,927
Drug Enforcement 08-JAG-REGION 1-FY 09	16.738	16,757



**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***

Commission Chairman,
Members of the County Commission
Bernalillo County and
Hector H. Balderas, State Auditor

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information and the budgetary comparison of the general fund of Bernalillo County, New Mexico (County), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 17, 2009. We have also audited the financial statements of each of the County's nonmajor governmental, nonmajor enterprise funds, internal service fund and the fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements and schedules and the respective budgetary comparison of each governmental fund and enterprise fund as of and for the year ended June 30, 2008, 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

Commission Chairman,
Members of the County Commission
Bernalillo County and
Hector H. Balderas, State Auditor

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as 01-10, 06-01, 07-01, 08-01, 09-01, 09-02, 09-04, 09-05, and 09-06.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

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 07-03, 07-05, 08-01, 08-05, 09-03, and 09-07 through 09-16.

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Members of the County Commission
Bernalillo County and
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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 and Section 2.2.2.9 (c) of the NMAC, which is described in the accompanying schedule of findings and questioned costs as finding 08-04.

The County's responses to 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 County management, the Office of the State Auditor, Government Finance Officers Association, 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.

Moss Adams LLP

Albuquerque, New Mexico
December 17, 2008



**Report on Compliance
With Requirements Applicable to Each Major
Program and on Internal Control Over
Compliance in Accordance With
OMB Circular A-133**

Commission Chairman,
Members of the County Commission
Bernalillo County and
Hector H. Balderas, State Auditor

Compliance

We have audited the compliance of Bernalillo County, New Mexico (County), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on 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 County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in

Commission Chairman,
Members of the County Commission
Bernalillo County and
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accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 07-03, 07-05, 08-05, and 09-12 to 09-16.

Internal Control over Compliance

The 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the

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accompanying schedule of findings and questioned costs at items 07-03, 07-05, 08-05, and 09-12 to 09-16 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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

This report is intended for the information and use of County management, the Office of the State Auditor, GFOA, 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.

Moss Adams LLP

Albuquerque, New Mexico
December 17, 2009

COUNTY OF BERNALILLO, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2009

Findings From Year Ended June 30, 2008:

Current Status:

01-10	Accounts Receivable Collections- Solid Waste	Repeated and Updated
02-06	State Auditor Required Schedule	Resolved
06-01	Sheriffs Department Currency Evidence Account	Repeated and Updated
07-01	Payroll Controls- Human Resources	Repeated and Updated
07-02	IT Controls	Resolved
07-03	Income Verification	Repeated and Updated
07-05	Rent Calculations	Repeated and Updated
07-07	Davis Bacon	Resolved
07-08	Matching, Earmarking and Level of Effort	Resolved
08-01	Capital Assets	Repeated and Updated
08-02	Court Services	Resolved
08-03	Grants Receivable – Road Construction	Resolved
08-04	Late audit Report	Repeated and Updated
08-05	Waiting List Selections	Repeated and Updated
08-06	Reporting	Resolved
08-08	Equipment and real property management	Resolved

**COUNTY OF BERNALILLO, NEW MEXICO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2009**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes x No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? x Yes _____ None reported

Non-compliance material to financial statements noted? x Yes _____ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes x No
- Significant deficiency(s) identified that are not considered to be material weakness(es) x Yes _____ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? x Yes _____ No

Identification of Major Program

CFDA Number	Name of Federal Program or Cluster
14.871	Section 8 – Housing Choice Vouchers
66.202	EPA – South Valley Sewer
20.205	Highway Planning and Construction
97.067	2005 Homeland Security/Fire Marshalls

Dollar threshold used to distinguish between type A and type B programs \$ 598,598

Auditee qualified as low-risk auditee? x Yes _____ No

**COUNTY OF BERNALILLO, NEW MEXICO
EXIT CONFERENCE**

An exit conference was held on December 10, 2009 and attended by the following:

Audit Committee (Representing the County Commission)

Demesia Padilla, CPA, Chair
Maxwell Kagan, CPA, Secretary
Paulette Becker, CPA, Esq., Member

External Auditors

James Thompson, CPA, Partner
Chris Garner, CPA, Senior Manager

County Personnel

Thaddeus Lucero, County Manager
Daniel J. Mayfield, Deputy County Manager – Budget and Finance
John Dantis, Deputy County Manager – Public Safety
Tom Zdunek, Deputy County Manager – Public Works
Teresa Byrd, Director of Budget
Kim Mckibben, Solid Waste Director
Lisa Sedillo-White, Director of Purchasing
Jeff P. Lovato, MBA, Director of Accounting
Renetta Torres, Director of Human Resources
Betty Valdez, Director of Housing
Paul Roybal, Chief Information Officer
Roger Paul, Director of Technical Services
Fidel A. Bernal, CPA, Chief Deputy Treasurer
Roger Tannen, Deputy Chief, Office of Emergency Management
Kevin Kinzie, Special Projects Coordinator, Finance
Bonnie Ulibarri-Romero, CPA, Financial Projects Coordinator, Accounting
Ray Garcia, Financial Projects Coordinator, Accounting
Cindy Torres, Audit Liaison, Accounting Department
Anthony Infantino, MBA, Financial Administrator, Accounting
Nataliya Rubinchik, MSA, Financial Administrator, Accounting
Trudy McGregor, CPA, Financial Administrator, Accounting
Emily Madrid, Accounting Manager, Treasurer's Office
Virginia Chavez, Financial Administrator, MDC