

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013



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Bernalillo County, New Mexico



**STATE OF NEW MEXICO
COUNTY OF BERNALILLO**

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT
Fiscal Year Ended June 30, 2013**

**COUNTY OF BERNALILLO GOVERNMENT
Board of County Commissioners
Tom Zdunek, County Manager
Teresa Byrd, Deputy County Manager for Finance**

**Prepared by:
The Accounting Department**



COUNTY OF BERNALILLO, NEW MEXICO

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County of Bernalillo

State of New Mexico

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www.bernco.gov/accounting/

November 15, 2013

COMMISSIONERS

Maggie Hart Stebbins, Chair
District 3

Debbie O'Malley, Vice Chair
District 1

Art De La Cruz, Member
District 2

Lonnie C. Talbert, Member
District 4

Wayne A. Johnson, Member
District 5

Board of County Commissioners
Maggie Hart Stebbins, Chair
Debbie O'Malley, Vice Chair
Art De La Cruz, Member
Wayne A. Johnson, Member
Lonnie C. Talbert, Member
One Civic Plaza, 10th Floor
Albuquerque, New Mexico 87102

Dear Commissioners:

COUNTY MANAGER

Tom Zdunek

Management hereby submits the Comprehensive Annual Financial Report (CAFR) of the County of Bernalillo (the County), New Mexico, for fiscal year ending June 30, 2013.

ELECTED OFFICIALS

Tanya R. Giddings
Assessor

Maggie Toulouse Oliver
Clerk

Willow Misty Parks
Probate Judge

Dan Houston
Sheriff

Manny Ortiz
Treasurer

New Mexico State Statute 12-6-3, NMSA (1978) requires that an annual audit of a governmental unit's accounting records and Comprehensive Annual Financial Report be performed by independent public accountants. This year's audit was performed as a joint venture between Moss Adams LLP and the New Mexico Office of the State Auditor. Federal law also requires that a single audit be performed for federal grant funds in conformance with the provisions of the Single Audit Act of 1984 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." All information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and the independent auditors' reports on the internal control structure and compliance with applicable laws and regulations are included in the Single Audit Section.

County management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls that were established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Moss Adams LLP, Certified Public Accountants, has issued the highest possible opinion, an unmodified opinion, on the county's comprehensive annual financial report for the fiscal year ending June 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors report and it provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A provides a context to this letter of transmittal and should be read in conjunction with it.

Profile of the County

Bernalillo County, which encompasses the entire City of Albuquerque, is located in the central region of the state and is the economic and population hub of New Mexico. With an estimated population of 673,460 in 2012, Bernalillo County is the 92nd most populous county of the nation's 3,143 counties. It comprises 32 percent of New Mexico's population and 75 percent of the Albuquerque Metropolitan Statistical Area (MSA) comprised of Bernalillo County and portions of Sandoval, Torrance and Valencia counties.

The county provides sheriff and fire protection to county residents, highways and streets, sanitation, cultural and recreational services, public improvements, building, planning and zoning, and general administrative services. The county also operates the largest jail in the state with a bed count of over two thousand five hundred inmates. The county has a Commission-Manager form of government in which most of the day-to-day administrative duties are delegated to the County Manager. All legislative power within the county is vested in a five-member Board of County Commissioners (Board), each of whom is elected to four-year terms from single member districts, with a two-term limit. The executive functions are divided; the powers are shared by the Board and five elected county officials: the Treasurer, Assessor, Clerk, Probate Judge, and Sheriff.

The county maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. The county's legal level of budgetary control is at the fund level, except for the Emergency Medical Services and Fire Districts funds, whose legal level of budgetary authority is at the program or district level. Appropriations within a fund may be adjusted under the authority of Department Directors and the Budget Director as long as total fund appropriations remain the same. Adjustments to appropriations must be approved by the Board and New Mexico State Department of Finance and Administration (DFA), with the exception of adjustments less than \$300,000, which can be approved by the County Manager in accordance with administrative resolution 2012-17. The Local Government Division of DFA is the agency responsible for regulating the budgetary affairs of the county. Budget adjustments that do not require DFA approval are limited to transfers of budget between departments within a fund or transfers between line items within a department within a fund. State statutes prohibit the county from making expenditures in excess of the final approved budget at the fund level. The appropriated amounts reflected in the accompanying financial statements are at the function and activity level for the general fund and by object class for all other funds.

Local Economy

Bernalillo County, with the City of Albuquerque making up 82 percent of its population, serves as a hub for commerce and industry in the Southwest. It accounts for nearly half of all economic activity in New Mexico. Its success can be attributed to a diverse economic base consisting of government, services, trade, agriculture, tourism, manufacturing, and research and development. In the 2013 Forbes List of "Best Places for Business and Careers," Albuquerque placed 135th out of the 200

ranked metro areas in the country and was ranked 66th in the “Cost of Doing Business” category and 170th in the “Job Growth Expected” category.

Forecasts by the University of New Mexico’s Bureau of Business and Economic Research suggest that the Albuquerque Metropolitan Statistical Area (MSA) will experience a fairly sharp increase in reported job numbers in 2013. For 2013, forecasts indicate that total employment will grow by 1.0 percent in the first quarter of the year and 1.4 to 1.5 percent in each of the remaining quarters. The economy is expected to add 4,806 jobs (1.4 percent annual growth) for the year, with the private sector adding 5,022 jobs (1.8 percent). In the longer-term, the Albuquerque MSA economy is forecast to add a total of nearly 34,000 jobs in total by 2018. The economy is expected to reach pre-recessionary employment levels by late 2016 or early 2017. The unemployment rate in June 2013 was 7.0 percent—lower than the national rate of 7.6 percent but still 0.2 percent higher than the statewide rate of 6.8 percent. The unemployment rate for the Albuquerque MSA has declined to 6.8% percent in August 2013 and forecasts indicate the rate will slowly decline annually reaching 5.5 percent in 2018.

The FY14 general fund budgeted appropriations of \$237,251,881 represents a 3.3 percent increase over the FY13 budget. Property taxes are anticipated to make up 51.8 percent of general fund revenue in FY14 and are projected to increase by approximately 4.9 percent over the FY13 budget. Gross receipts taxes make up 38.9 percent of the general fund revenue. The FY14 budget for gross receipts taxes includes a decrease of approximately 1.9 percent in tax revenues received from businesses that obtain a tax credit incentive passed by state legislation.

Even in these uncertain economic times, however, the county has been a conscientious steward of tax revenue by maintaining sufficient reserve funds and being conservative in revenue projections.

Long-Term Financial Planning

The financial condition of the county is strong as reflected by the county’s current bond ratings. The county’s 2013 General Obligation Bonds were rated “AAA” by the nation’s three top rating agencies: Standard & Poor’s, Moody’s, and Fitch Ratings. The county continues its effort to incorporate comprehensive financial planning in its long-range vision in order to remain solvent during the gradual economic recovery. In addition to the 3/12th reserve requirement, required by the State of New Mexico, of \$69,463,043, the county’s long-term financial plan includes maintaining adequate reserves for the county’s provision of public safety services, extraordinary maintenance for aging infrastructure and to respond to emergencies and natural disasters. The county has also established a minimum fund balance policy consisting of an unassigned amount of \$35,809,099 which is equal to two months of the prior year general fund operating expenditures and is set aside for unforeseen emergency contingencies and cash flow needs.

Relevant Financial Policies

Bernalillo County is currently in its fifth biennial budget cycle. Through the biennial budget process, approval is granted by the Board for an appropriation of two fiscal years at once, with funding being available to departments one year at a time. Departments were provided a base budget and salary projections for each of the two years. Departments have the opportunity to evaluate their budgets

prior to commencement of the second year. Any necessary changes will be presented to the Board as adjustments to the base budget. The biennial budget process has encouraged a long-term view of financial planning and shifted the emphasis from the process itself to a more careful examination of resource allocation choices. FY 13 represented the first year of the current biennial cycle and FY14 represents the second year.

Major Initiatives

In an effort to provide a roadmap for long-term success, the county developed its first ever strategic plan for the entire organization which was approved by the Bernalillo County Commission in April 2013. The strategic plan is a document that defines who we are as an organization, what we want to accomplish, and how we plan to get there. The plan is comprised of the county's mission statement, the strategies of how to work toward that mission and identifies five results statements, or goals, for the county in the following categories; government accountability, public safety, public infrastructure, community health and economic vitality. Each identified desired result has indicators of what the result looks like and the ways that it will be measured. They provide direction and help in establishing priorities for projects and services. In turn, all divisions, departments and offices will align their annual budgets and objectives to support the county's overall goals.

In January 2013, the county launched a new online software system to enhance the hiring process for job seekers and personnel managers. The county partnered with NEOGOV, the nation's largest cloud software for human resources in government and education. The system is a user-friendly, web-based system that gives job-seekers easy access to information about county openings and offers a vastly improved application process that benefits both applicants and hiring managers. Applicants can apply for current vacancies or sign up to receive alerts when a job opens in a specific area of interest, electronically submit one application and apply for multiple openings at once, track the application process and submit job-related questions, and can establish online profiles with NEOGOV and apply for jobs with other employers that also use NEOGOV. This new system streamlines the job posting process for Human Resources and department managers, and expedites the overall hiring process, providing greater accountability when selecting new employees.

During FY13, the county developed a Debt Management Policy which was approved by the Bernalillo County Commission in April 2013. The purpose of the new policy includes promoting attainment of financial planning and management objectives, taking a comprehensive approach to affordability, setting limits while preserving flexibility and lastly, it was formally adopted and will be periodically reviewed. There are established parameters within the policy for the issuance and management of debt financing that provide guidance for not exceeding acceptable levels of indebtedness and risk.

To address observations and recommendations made by our internal and external auditors, the county in April 2013 implemented Governance Risk Compliance (GRC) Internal Access Controls. The solution provides automated, real-time security access controls as well as a comprehensive audit trail of user and role access and embedded reporting in our SAP financial system. The Access Risk Analysis segment provides segregation of duties (SOD) using SAP standard out-of-the-box rule set, critical access risk reporting, and mitigating controls for access risk. The Business Role Management segment provides SAP standard role methodology (rule sets) including the centralized management of SAP roles and SOD checking before role creation.

In a move to provide greater transparency and to automate and streamline the manual vendor invoice routing, approval and payment process, the county implemented a vendor invoice management and automation system that went live on July 1, 2013. The system provides visibility of invoices and better management of the county's obligations; provides front end imaging and OCR technology for greater efficiency in processing invoices; provides improved cash flow analysis and reporting; provides workflow of invoices requiring department action and workflow for exception approval; and provides enhanced reporting functionality such as invoice analysis, spend analysis, accounts payable aging, and liquidity. The system will promote increased county-wide departmental efficiency and allow the county to negotiate and take advantage of vendor discounts.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the county for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the ninth consecutive year that the county has received this prestigious award. In order to be awarded a Certificate of Achievement, the county must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The county believes that its current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for this prestigious recognition again this year.

Management and staff would like to acknowledge and thank the Board of County Commissioners for its stewardship and support. The preparation of this report would not have been possible without the dedicated service of the Accounting Department. Management would also like to express appreciation to all county departments who assisted and contributed to the preparation of this report, especially the county Treasurer's Office and the Housing Department.

Sincerely,



Tom Zdunek
Bernalillo County Manager



Teresa Byrd
Deputy County Manager for Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

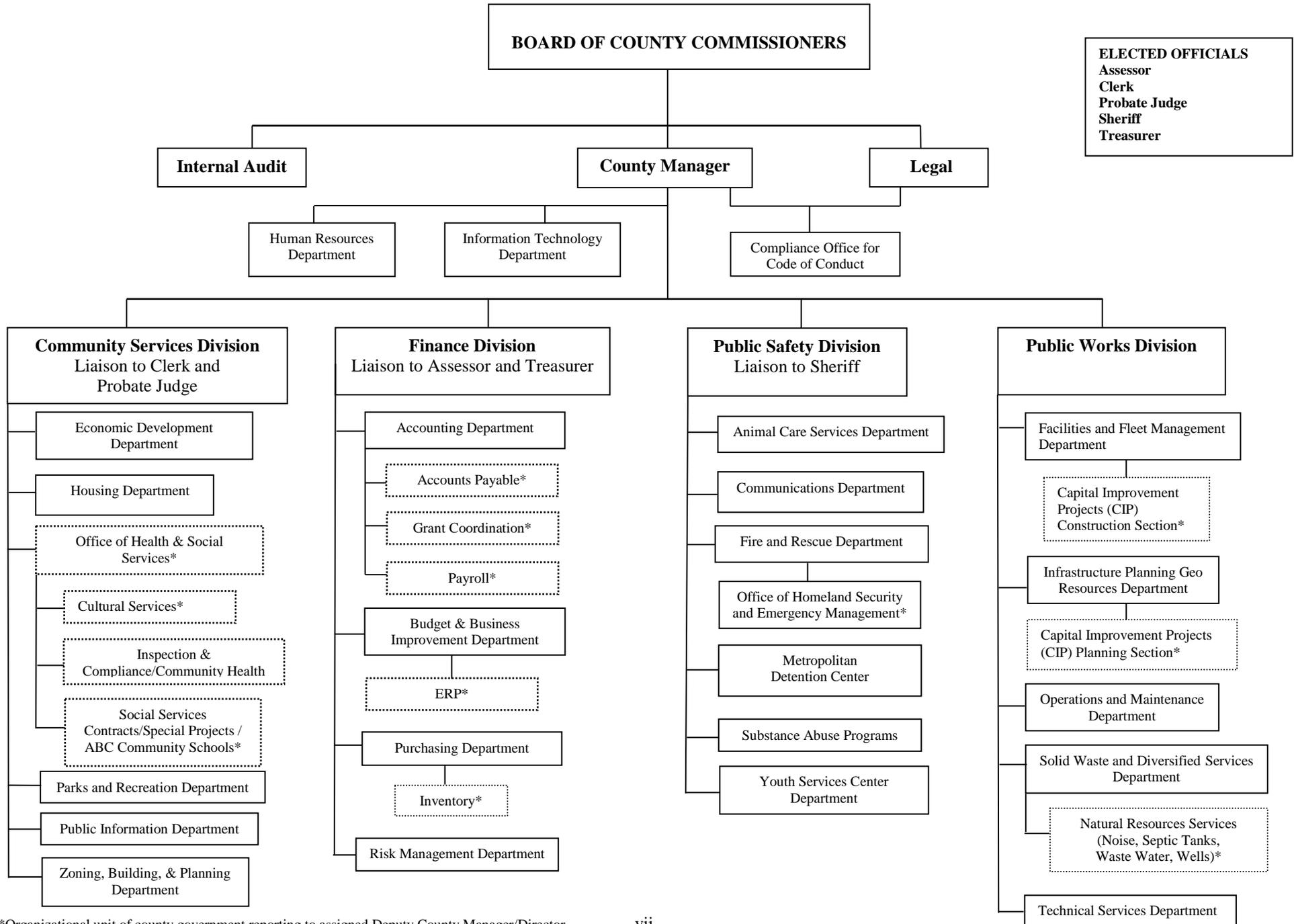
**County of Bernalillo
New Mexico**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

BERNALILLO COUNTY - ORGANIZATIONAL CHART



*Organizational unit of county government reporting to assigned Deputy County Manager/Director
Last updated 05/13/13

COUNTY OF BERNALILLO

PRINCIPAL OFFICIALS

June 30, 2013

COUNTY COMMISSIONERS

Maggie Hart Stebbins, Chair	District 3
Debbie O'Malley, Vice Chair	District 1
Art De La Cruz, Member	District 2
Wayne A. Johnson, Member	District 5
Lonnie C. Talbert, Member	District 4

COUNTY ELECTED OFFICIALS

Tanya R. Giddings	Assessor
Maggie Toulouse Oliver	Clerk
Willow Misty Parks	Probate Judge
Dan Houston	Sheriff
Manny Ortiz	Treasurer

COUNTY MANAGER

Tom Zdunek

DEPUTY COUNTY MANAGERS

Teresa A. Byrd, Deputy County Manager for Finance
Vince Murphy, Deputy County Manager for Community Services
Tom Swisstack, Deputy County Manager for Public Safety
Jarvis Darnell Middleton, Deputy County Manager for Public Works

COUNTY OF BERNALILLO, NEW MEXICO
CONTRIBUTORS
June 30, 2013

Teresa A. Bryd
Deputy County Manager for Finance

Financial Reporting Personnel

Jeff P. Lovato, MBA
Accounting Director

Bonnie Ulibarri-Romero, CPA
Financial Projects Coordinator

Anthony Infantino, MBA
Financial Projects Coordinator

Trudy McGregor, CPA
Financial Administrator

Nataliya Rubinchik, MSA
Financial Administrator

Vincent Lujan
Financial Administrator

Sueko Solosky
Financial Services Administrator

Cindy Torres
Accounting Officer

Leticia Carreon
Accounting Officer

Virginia C. Montoya
Accounting Officer

Victoria Herring
Administrative Officer

Treasurer's Office

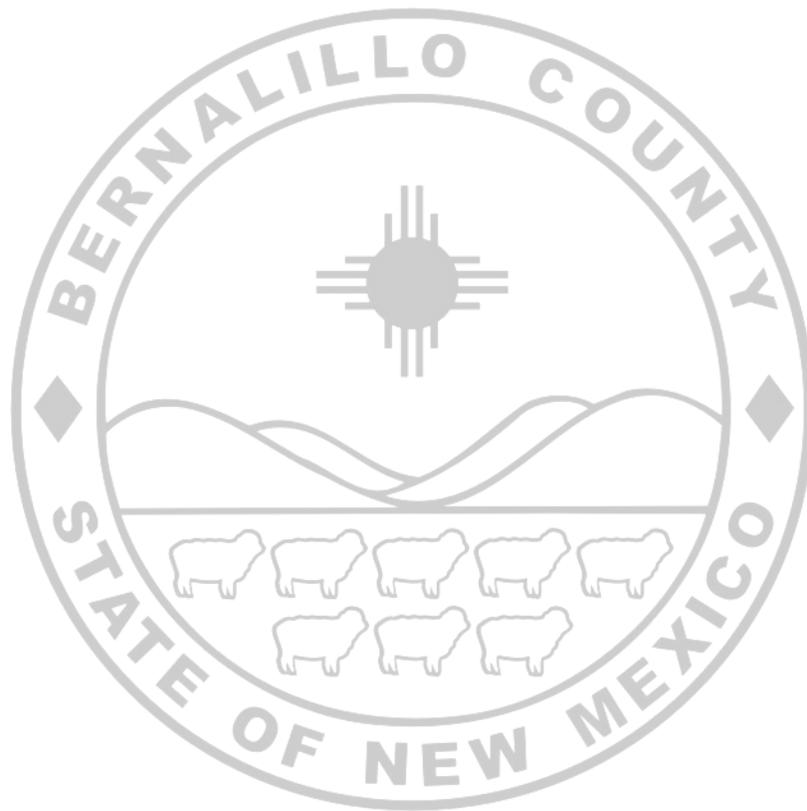
Fidel A. Bernal, CPA
Chief Deputy Treasurer
Ryan C. Travelstead
Accounting Manager

Fixed Assets Section

Martin Gallegos
Fixed Asset Manager

Budget and Business Improvement

Shirley Ragin
Director
Stephanie Pugh
Financial Services Administrator
Mario Ruiz
Financial Services Administrator



Report of Independent Auditors

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

Report on the Financial Statements

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 for the general fund of Bernalillo County, New Mexico (County) as of and for the year ended June 30, 2013 and the related notes to the financial statements 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, nonmajor enterprise, internal service funds, and the budgetary comparisons for all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, and internal service fund of the County as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the County's financial statements, the combining and individual fund financial statements, and the budgetary comparison. The accompanying schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, introductory and statistical section and the other schedules required by 2.2.2. *NMAC* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and other schedules required by 2.2.2. *NMAC* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures and other schedules required by 2.2.2. *NMAC* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mess Adams LLP

Albuquerque, New Mexico
November 15, 2013



COUNTY OF BERNALILLO NEW MEXICO
Management's Discussion and Analysis
June 30, 2013

As management of the County of Bernalillo (*County*), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

Government-wide financial statements (Statement of Net Position and Statement of Activities)

- The total government-wide assets of the County exceed its liabilities as of June 30, 2013 by \$593,764,086 (*net position*), a decrease of \$22,822,079 or a 3.7% decrease. Of this amount, \$372,504,791 is net investment in capital assets. Of the remaining balance, \$133,136,883 is restricted for specific purposes and \$88,122,412 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2013, the County's governmental activities and business type activities have a net position of \$586,721,658 and \$7,042,428 respectively.
- Total net position of the County is comprised of the following:

Net Position by Category	June 30, 2013	% to Total	June 30, 2012	% to Total
Net investment in capital assets	\$ 372,504,791	63%	\$ 360,462,408	58%
Restricted net position	133,136,883	22%	140,368,833	23%
Unrestricted net position	88,122,412	15%	115,754,924	19%
Total net position	<u>\$ 593,764,086</u>	<u>100%</u>	<u>\$ 616,586,165</u>	<u>100%</u>

Individual Fund Financial Statements

- As of June 30, 2013, the County's governmental funds reported combined fund balances of \$284,139,686. This reflects a decrease of \$29,116,856 from the previous fiscal year and is primarily attributed to a planned draw down of fund balance approved by the County Commission for various County projects which included the implementation of the new Vendor Invoice Management System (VIM), the implementation of the new Mobile Asset Management System, the implementation of the Governance Risk Compliance (GRC) Internal Access Controls solution, the purchase of heavy equipment, vehicles, and machinery and equipment for the Fire Department, and additional expenditures incurred at the County's Metropolitan Detention Center (MDC). In addition, the County recognized a net decrease in the fair value of investments of \$12.8 million which resulted in a negative net change in the General Fund fund balance of \$26.1 million.
- The fund balance in the County's General Fund decreased from \$207,059,224 in FY12 to \$180,982,624 in FY13, a decrease of \$26,076,600 or a 12.6% decrease. The decrease was attributed to planned expenditures for various county projects and the recognition of a net

decrease in the fair value of investments as stated above. Of this amount, \$69,463,043 or 38.4% of the general fund is for the State of New Mexico Department of Finance and Administration required reserve (*reported in restricted fund balance*), \$43,293,845 or 23.9% is committed for various county projects, \$16,952,826 or 9.4% is assigned for subsequent years' expenditures, and \$13,017,420 or 7.2% is assigned for future county needs.

- The County was able to maintain adequate reserves in the amount of \$69,463,043 (*reported in restricted fund balance*) as required by the State of New Mexico Department of Finance and Administration, Local Government Division – 3/12 of the General Fund Budget for FY14.
- At the end of the fiscal year, the unassigned fund balance of the County's General Fund was \$35,809,099 which complies with the County's minimum fund balance policy of 2/12 of the prior year General Fund operating expenditures to be used for emergency contingencies and cash flow purposes.

Long-Term Debt

- During the year, the County sold \$17,800,000 of General Obligation Bonds, Series 2013, which included \$6,400,000 for storm drains, \$5,000,000 for roads, \$3,500,000 for public safety, \$1,800,000 for parks and recreation, \$600,000 for facility improvements, and \$500,000 for libraries.
- The County has \$453,367,857 in available bonding capacity or 78.7% of allowable bonding capacity per the New Mexico State Constitution (*see page 166*).
- The County's 2013 General Obligation Bonds were rated "AAA" by both Fitch Ratings and Standard & Poor's and rated "Aaa" by Moody's Investors Service. In addition, both Fitch Ratings and Standard & Poor's affirmed its "AAA" rating and Moody's Investors Service affirmed its "Aaa" rating on the County's existing GO Bond debt with an outlook of stable.
- In addition to its "AAA" and "Aaa" bond ratings respectively, Standard and Poor's and Moody's Investors Service rates Bernalillo County as "STRONG" on its financial management assessment criteria. Also, both rating agencies recognized the County for the consistent maintenance of healthy general fund reserves. The County continues its effort to incorporate comprehensive financial planning in its long-range vision in order to remain solvent during the slow growing economy.

Miscellaneous

- The County property valuations decreased 0.4% from \$14.45 billion in FY12 to \$14.39 billion in FY13 (*see page 157*).
- The County managed and expended \$18,716,696 in Federal Funds in FY13 (*see page 175*).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide

financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows. For example, property taxes are recognized as revenues in the year in which they are levied. The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The statement of activities presents information showing how the County's net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements differentiate functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public works, public safety, culture and recreation, health and welfare and interest on long-term debt. The business-type activities of the County include Solid Waste, Bernalillo County Housing Authority, Seybold Village Handicapped Project, Regional Juvenile Detention Center, and El Centro Familiar. The government-wide financial statements can be found on pages 32-33 of this report.

Fund financial statement. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. For this purpose, the County considers revenues to be available if they are collected within 60 days of the current fiscal period. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

In addition to the General fund, the County maintains thirty other individual governmental funds of which thirteen are classified as Special Revenue funds, fourteen are classified as Debt Service funds, and three are classified as Capital Projects funds. Information for the General fund, the Grants fund, and the Capital Construction fund, all of which are considered to be major funds, are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues,

expenditures, and changes in fund balances. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General fund. A budgetary comparison statement for the General fund is presented on pages 38-39. In addition, the County adopts an annual budget for other non-major funds. A budgetary statement is presented individually for all those funds that have an adopted budget.

The basic governmental fund financial statements can be found on pages 34-39 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for Solid Waste, Bernalillo County Housing Authority, Seybold Village Handicapped Project, Regional Juvenile Detention Center, and El Centro Familiar. An *Internal service fund* is used to account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service fund is the Risk Management fund, which is used to account for its risk management activities. Because the services provided by the Risk Management fund predominantly benefit governmental rather than business-type functions, this fund is included within *governmental activities* in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 40-42 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on page 43 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 44-79 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the Notes to the Financial Statements. Combining and individual fund statements and schedules can be found on pages 80-123 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's governmental-wide net assets exceed liabilities by \$593,764,086 for the fiscal year ending June 30, 2013. By far the largest portion of the County's net position (62.7 percent) reflects its investment in capital assets (e.g., *infrastructure, land, buildings, machinery, and equipment*) less any debt used to acquire those assets, which is still outstanding. In the prior year, the County's investment in capital assets was 58.5% of net position. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County of Bernalillo Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets:						
Current and other assets	\$ 330,785,617	\$ 363,612,635	\$ 6,183,485	\$ 5,259,590	\$ 336,969,102	\$ 368,872,225
Capital assets	584,634,186	572,890,008	3,394,992	3,294,086	588,029,178	576,184,094
Total assets	<u>915,419,803</u>	<u>936,502,643</u>	<u>9,578,477</u>	<u>8,553,676</u>	<u>924,998,280</u>	<u>945,056,319</u>
Liabilities:						
Long-term liabilities	271,966,969	268,602,823	331,834	465,022	272,298,803	269,067,845
Other liabilities	56,731,176	57,114,607	2,204,215	2,287,702	58,935,391	59,402,309
Total liabilities	<u>328,698,145</u>	<u>325,717,430</u>	<u>2,536,049</u>	<u>2,752,724</u>	<u>331,234,194</u>	<u>328,470,154</u>
Net Position:						
Net Investment in capital assets	369,109,799	357,168,323	3,394,992	3,294,085	372,504,791	360,462,408
Restricted	133,136,883	140,368,833	-	-	133,136,883	140,368,833
Unrestricted	84,474,976	113,248,057	3,647,436	2,506,867	88,122,412	115,754,924
Total net position	<u>\$ 586,721,658</u>	<u>\$ 610,785,213</u>	<u>\$ 7,042,428</u>	<u>\$ 5,800,952</u>	<u>\$ 593,764,086</u>	<u>\$ 616,586,165</u>

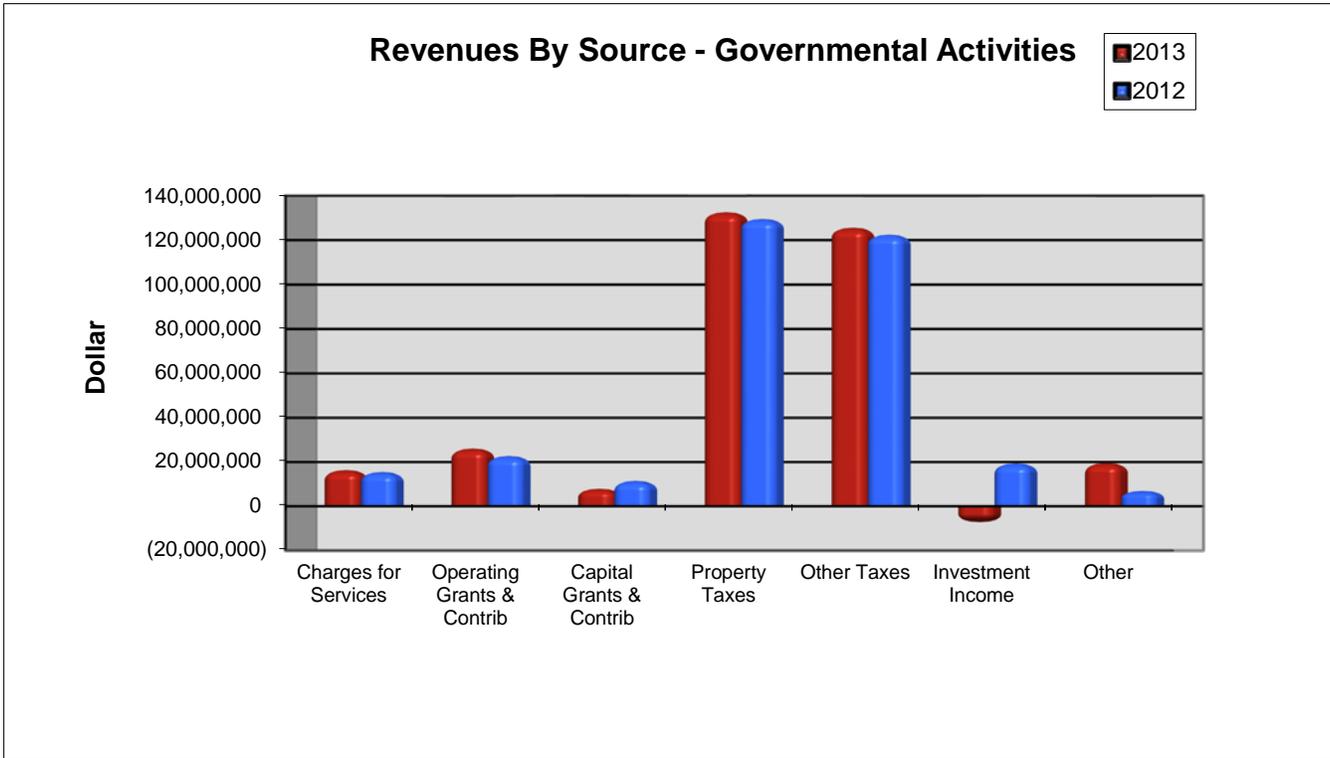
Restricted net position in the amount of \$133,136,883 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$88,122,412, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net position; for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental activities. Governmental activities during the year decreased the County's net position by \$24,063,555 in FY13 compared to an increase of \$13,641,393 in FY12.

County of Bernalillo's Changes in Net Position

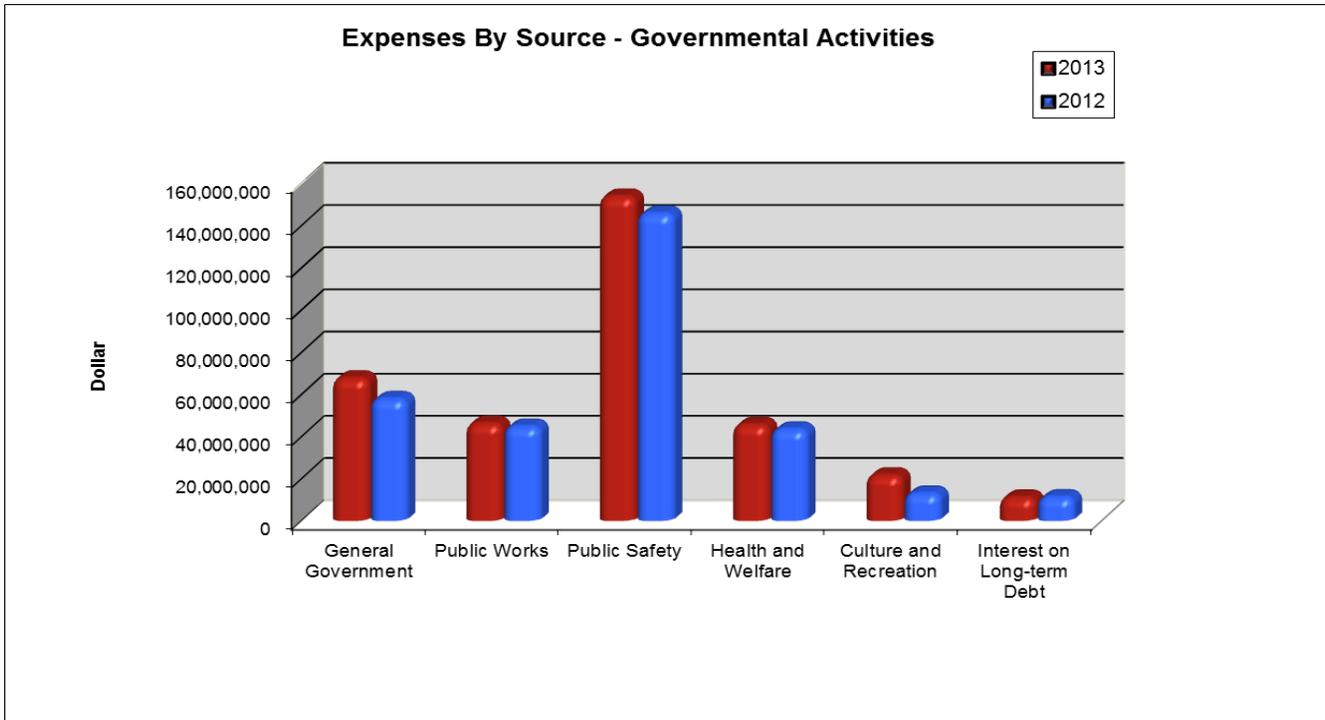
	Governmental Activities		Business-type Activities		Total	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$16,405,544	\$15,539,133	\$6,622,921	\$6,420,809	\$23,028,465	\$21,959,942
Operating grants and contributions	26,164,799	22,785,744	1,128,440	1,282,614	27,293,239	24,068,358
Capital grants and contributions	7,941,803	11,537,451	20,518	63,756	7,962,321	11,601,207
General revenues:						
Property taxes	132,624,981	129,585,691	-	-	132,624,981	129,585,691
Other taxes	125,662,324	122,505,605	-	-	125,662,324	122,505,605
Investment income (loss)	(7,191,138)	19,404,077	3,914	6,336	(7,187,224)	19,410,413
Other	19,592,905	6,931,763	348,685	558,253	19,941,590	7,490,016
Total revenues	<u>321,201,218</u>	<u>328,289,464</u>	<u>8,124,478</u>	<u>8,331,768</u>	<u>329,325,696</u>	<u>336,621,232</u>
Expenses:						
General government	67,393,999	57,591,475	-	-	67,393,999	57,591,475
Public works	45,883,104	44,480,787	-	-	45,883,104	44,480,787
Public safety	153,629,728	145,585,157	-	-	153,629,728	145,585,157
Health and welfare	45,278,882	43,128,410	-	-	45,278,882	43,128,410
Culture and recreation	21,360,907	12,755,946	-	-	21,360,907	12,755,946
Interest on long-term debt	10,876,254	10,989,496	-	-	10,876,254	10,989,496
Solid Waste	-	-	4,710,379	4,841,418	4,710,379	4,841,418
Housing Authority	-	-	1,306,043	1,340,960	1,306,043	1,340,960
Seybold Village	-	-	355,259	156,761	355,259	156,761
Juvenile Detention Center	-	-	1,017,035	904,892	1,017,035	904,892
El Centro Familiar	-	-	336,185	404,057	336,185	404,057
Total expenses	<u>344,422,874</u>	<u>314,531,271</u>	<u>7,724,901</u>	<u>7,648,088</u>	<u>352,147,775</u>	<u>322,179,359</u>
Increase (decrease) in net position before transfers	(23,221,656)	13,758,193	399,577	683,680	(22,822,079)	14,441,873
Transfers in (out)	(841,899)	(116,800)	841,899	116,800	-	-
Capital contributions	-	-	-	167,166	-	167,166
Increase (decrease) in net position	<u>(24,063,555)</u>	<u>13,641,393</u>	<u>1,241,476</u>	<u>967,646</u>	<u>(22,822,079)</u>	<u>14,609,039</u>
Net position – beginning	610,785,213	597,143,820	5,800,952	4,833,306	616,586,165	601,977,126
Net position – ending	<u>\$586,721,658</u>	<u>\$610,785,213</u>	<u>\$7,042,428</u>	<u>\$5,800,952</u>	<u>\$593,764,086</u>	<u>\$616,586,165</u>



Governmental Activities revenues decreased by \$7.1 million from \$328.3 million in FY12 to \$321.2 million in FY13, a decrease of 2.2%. Key elements in the decrease of governmental activities revenues are as follows:

- Program revenues charges for services increased \$866 thousand from \$15.5 million in FY12 to \$16.4 million in FY13, a 5.6% increase. The increase was attributed to increases in collections of \$320 thousand in Clerk’s fee, collections of \$307 thousand in commissary commission fees, collections of \$173 thousand in Section 8 voucher fees, and collections of \$200 thousand in valuation fees. The increase was offset by slight decreases in other areas within this category.
- Program revenues operating grants and contributions increased \$3.4 million from \$22.8 million in FY12 to \$26.2 million in FY13, a 14.9% increase. The increase was primarily attributed to an increase of \$843 thousand in Housing and Urban Development (*HUD*) grant operating revenue in the Section 8 Housing-Voucher fund, reimbursements of \$574 thousand received for the 2012 general election and 2013 Albuquerque Public School (*APS*) Board election, and \$493 thousand received from the state for purchase of ballot on demand systems and other election materials for the November 6, 2012 general election. Also, a total of \$695 thousand in reimbursements was received from the City of Albuquerque for custodial services, from the County’s Housing Department for audit services, from the County’s Assessor Office for IT services, and from the New Mexico Community Foundation for the ABC Community Schools Partnership program. In addition, the increase was attributed to \$226 thousand received from the new University of New Mexico (*UNM*) Milagro grant used for a residential treatment facility for women, \$144 thousand received from the new emergency management grant for a buffer zone protection plan, and \$303 thousand more received from the Center for Disease Control grant used for a health study.

- Program revenues capital grants and contributions decreased \$3.6 million from \$11.5 million in FY12 to \$7.9 million in FY13, a 31.3% decrease. The decrease was primarily attributed to no reimbursements received in FY13 from the Albuquerque Bernalillo County Water Utility Authority on a reimbursement contract for the South Valley Water Utility Project Phase VI which was completed in FY12.
- General revenues property taxes increased \$3 million from \$129.6 million in FY12 to \$132.6 million in FY13, a 2.3% increase. The increase was attributed to an increase in the County's operational residential mill levy from 6.866 to 7.208 per \$1,000 of assessed taxable value and an increase in the County's operational non-residential mill levy from 10.650 to 10.750 per \$1,000 of assessed taxable value. In addition, there was a slight increase in the current property tax collections rate from 95.97% in FY12 to 96.33% in FY13. The increase in revenue was offset by the expiration of the residential and non-residential open space mill levy of .100 per \$1,000 in FY12 and a decrease in the assessed taxable valuation within the County of \$59 million from \$14.453 billion in FY12 to \$14.394 billion in FY13.
- General revenues other taxes increased \$3.2 million from \$122.5 million in FY12 to \$125.7 million in FY13, a 2.6% increase. The increase was primarily attributed to an increase in gross receipts tax (*GRT*) revenue as a result of the FY12 and FY13 equalization distribution from the state of \$3 million and \$3.2 million respectively posted and recorded in FY13. This fiscal year, the County recorded, as a revenue accrual, the FY13 equalization distribution which was received in cash in September 2013. In future reporting periods, the equalization distribution for the current period of this report will be recorded as a revenue accrual in the current reporting period.
- General revenues investment income decreased \$26.6 million from \$19.4 million in FY12 to a negative \$7.2 million in FY13, a 137.1% decrease. The decrease was primarily attributed to the recognition of an unrealized investment income loss that resulted from the change in net market value of the County's investments at the end of FY13 versus the net market value at the end of FY12. In FY12, the net market value of the County's investments reflected a net increase of \$9.4 million and in FY13, the net market value of the County's investments reflected a net decrease of \$14.2 million. As a result, the unrealized investment income, due to the change in net market value of the County's investments, decreased by \$23.6 million from FY12 to FY13. In addition, the decrease was attributed to a decrease in realized investment income of \$3.1 million.
- Other revenues increased \$12.7 million from \$6.9 million in FY12 to \$19.6 million in FY13, a 184.1% increase. The increase was primarily attributed to \$9.7 million recognized as miscellaneous revenue to capitalize as a non-cash donation the Public Safety Center (*land and building*) located at 501 Roma NW, which was transferred to the County from the State of New Mexico through passed legislation. Also, the increase is attributed to \$1 million recognized as miscellaneous revenue to capitalize machinery, equipment and infrastructure as non-cash donations. In addition, in FY13, the County recorded a revenue accrual of \$1.5 million for cash received from the City of Albuquerque in August 2013 for the return of a portion of health insurance premium payments made which exceeded the cost of claims and administration for the fiscal years 2007 through 2013.



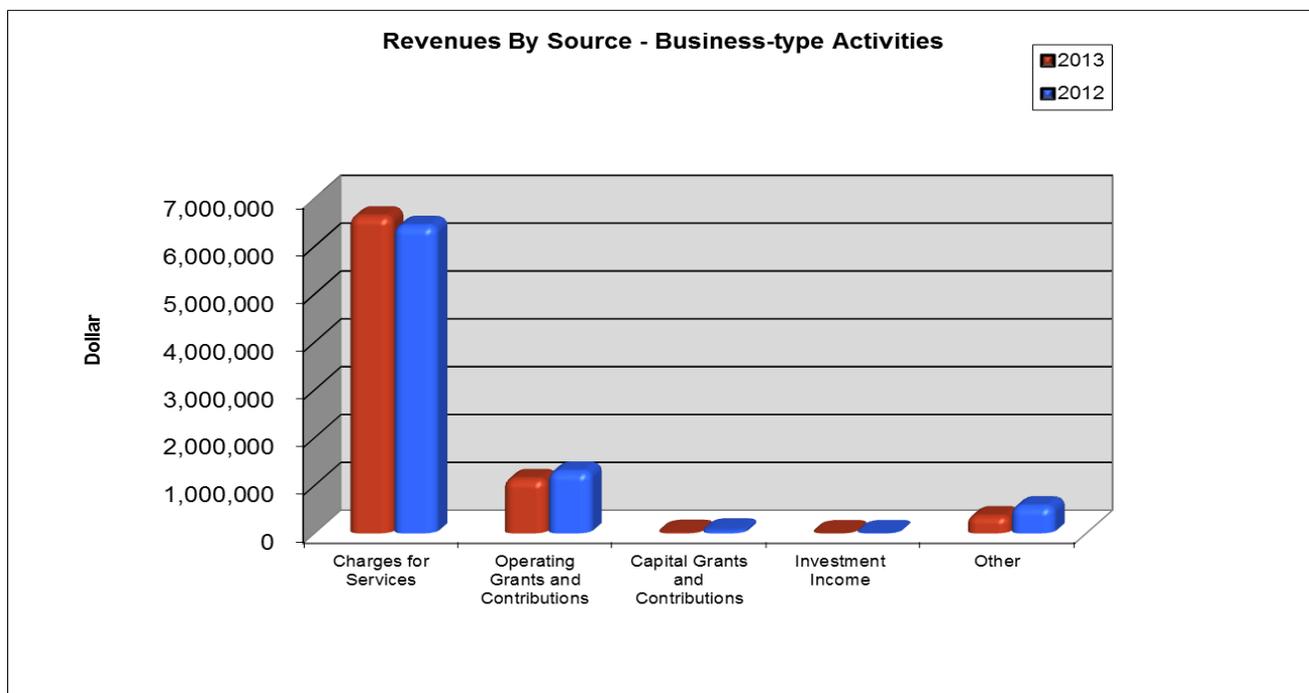
Governmental activities expenses increased by \$29.9 million from \$314.5 million in FY12 to \$344.4 million in FY13, an increase of 9.5%. Key elements of the increase in governmental activities expenses are as follows:

- General government expenses increased by \$9.8 million from \$57.6 million in FY12 to \$67.4 million in FY13, a 17% increase. The majority of the increase was attributed to a \$1.2 million increase in contractual services and operating expenses for the Bureau of Elections, a \$1.3 million increase in contractual services and operating expenses for the Economic Development Department, a \$2 million increase in contractual services, computer supplies and other operating expenses for Administration and Core Services, and a \$1.6 million increase in City Mandate expenses. In addition, the increase was attributed to increases in operating expenses for the Accounting Department, the Purchasing Department, and the Building Division of \$1.5 million. Also, capital outlay for others expense increased by \$1.5 million and depreciation expense increased by \$475 thousand. The remaining variance can also be attributed to increases in other general government areas.
- Public works expenses increased by \$1.4 million from \$44.5 million in FY12 to \$45.9 million in FY13, a 3.1% increase. The increase was attributed to an increase in operating expenses for Building Maintenance of \$579 thousand, for Fleet Facilities Administration of \$86 thousand, for the Information Technology Program of \$54 thousand, for the Engineering Section of \$97 thousand, and for Division Support of \$323 thousand. In addition, the increase was attributed to an increase in utility expenses of \$323 thousand.
- Public safety expenses increased by \$8 million from \$145.6 million in FY12 to \$153.6 million in FY13, a 5.5% increase. A portion of the increase was attributed to an increase of \$1.4 million for field services expenses for the Sheriff's Office, \$1.5 million for psychiatric acute care expenses at the MDC, \$960 thousand for the McClendon lawsuit expenses related to the MDC, \$755 thousand for segregation expenses at the MDC, \$656 thousand for multi-line insurance premium expenses

for the MDC Executive program, and \$573 thousand for electronic monitoring contractual services expenses at the MDC. In addition, the increase was attributed to an increase of \$1.8 million in operating expenses at Communications, Fire and Rescue, the Youth Services Center, and the MDC. Also, FY13 depreciation expense and compensated absences expenses increased in this category by \$281 thousand and \$107 thousand respectively.

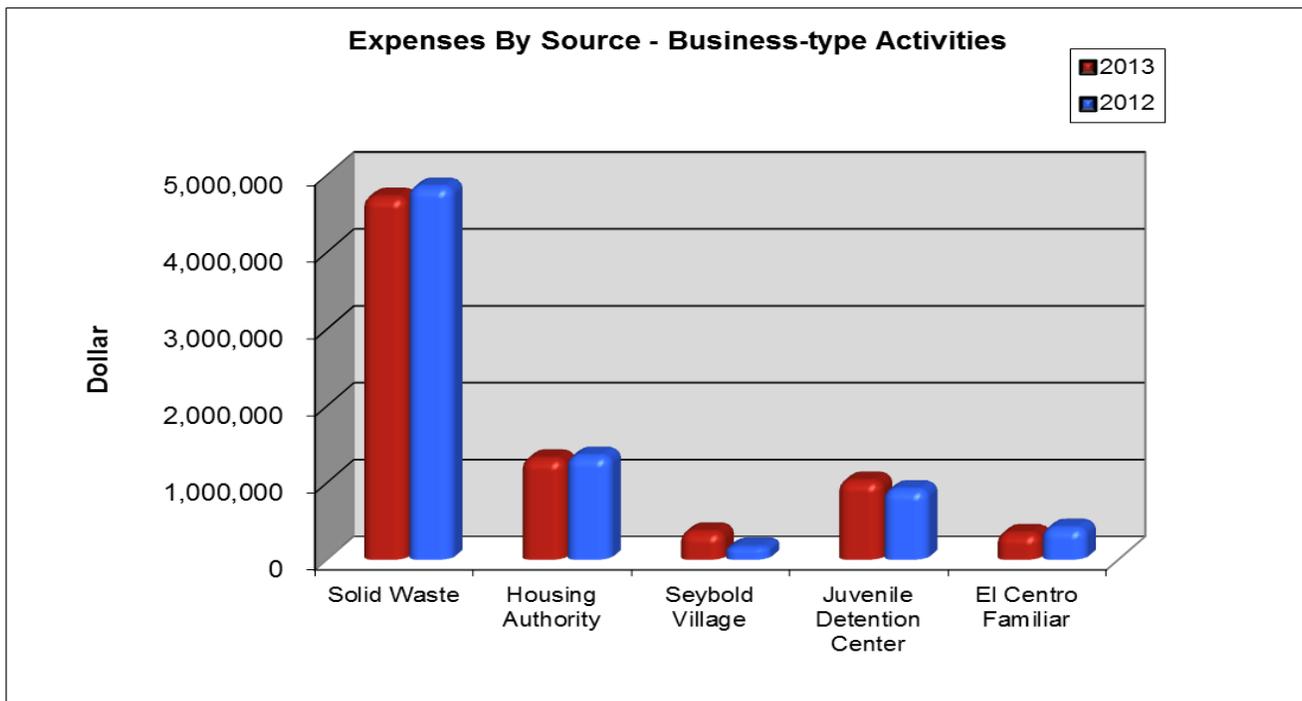
- Health and welfare expenses increased by \$2.2 million from \$43.1 million in FY12 to \$45.3 million in FY13, a 5.1% increase. The increase was primarily attributed to an increase in expenses for medical health care services provided to inmates at the MDC, for the new medical observation program at the Department of Substance Abuse, and for the new Albuquerque Ambulance service program for the indigent.
- Culture and recreation expenses increased by \$8.6 million from \$12.8 million in FY12 to \$21.4 million in FY13, a 67.2% increase. The increase was primarily attributed to an increase of \$6.5 million in expenses for capital outlay for others. In addition, the depreciation expense for FY13 in this category increased by \$1.1 million. Also, the increase was attributed to an increase in operating expenses of \$1 million in various areas including the County pools, the South Valley Multi-Purpose Center, the County fitness centers, the County community centers, and maintenance of County parks.

Business-type activities. Business-type activities net position increased by \$1,241,476 during the current fiscal year. During the year, the Solid Waste fund, the Bernalillo County Housing Authority fund, the Regional Juvenile Detention Center fund, and the El Centro Familiar fund had more total program revenues than total program expenses resulting in income before contributions of \$527,678, \$39,148, \$36,499, and \$35,835 respectively. The Seybold Village fund had less total program revenues than total program expenses resulting in a loss before contributions of \$260,101. Overall, the business-type activities experienced an \$820,570 operating loss (program revenues less expenses) before non-operating revenues of \$1,199,629, capital grant subsidies of \$20,518, and transfers in of \$841,899.



Business-type activities revenue decreased from \$8.332 million in FY12 to \$8.124 million in FY13, a 2.5% decrease. Key elements in the decrease of business-type activities revenue are as follows:

- Revenue program charges for services increased from \$6.4 million in FY12 to \$6.6 million in FY13, a 3.1% increase. The increase was attributed to \$168 thousand more in administrative fees collected at the Bernalillo County Housing Authority in FY13. In addition, the increase was attributed to \$70 thousand more in administrative fees collected for solid waste collection services provided to county residents by Waste Management, Inc.
- Revenue program operating grants and contributions decreased from \$1.3 million in FY12 to \$1.1 million in FY13, a 15.4% decrease. The decrease was primarily attributed to \$169 thousand less in other government grant subsidies received from Housing and Urban Development (*HUD*) for rehabilitation of homes at the Bernalillo County Housing Authority due to the scope of work performed and the reduction of homes to rehabilitate in FY13.
- Revenue program capital grants and contributions decreased from \$64 thousand in FY12 to \$21 thousand in FY13, a 67.2% decrease. The decrease was attributed to less in capital grant subsidies received from HUD for the Seybold Village Handicapped project due to the reduction of improvements needed.
- Other revenues decreased from \$558 thousand in FY12 to \$349 thousand in FY13, a 37.5% decrease. The decrease was primarily attributed to \$195 thousand less in miscellaneous revenue recognized in the Solid Waste fund, the Bernalillo County Housing Authority fund, and the Seybold Village Handicapped Project fund in FY13.



Business-type activities expenses increased from \$7.648 million in FY12 to \$7.725 million in FY13, a 1% increase. Key elements of the increase are as follows:

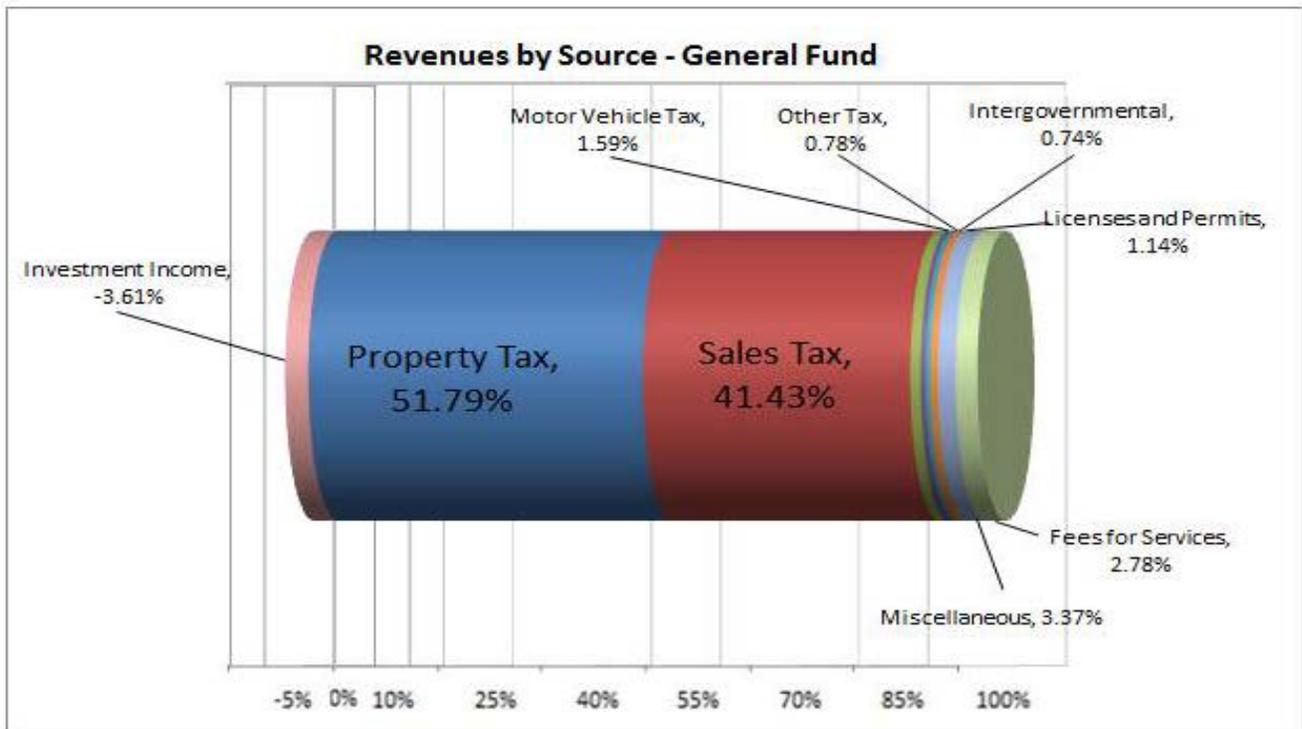
- Solid Waste expenses decreased from \$4.841 million in FY12 to \$4.710 million in FY13, a 2.7% decrease. A significant portion of the decrease was attributed to a decrease of \$110 thousand in salaries and wages and a decrease of \$50 thousand in other charges and services as four months of governmental gross receipt tax payments totaling \$64 thousand for FY11 were recorded in this category in FY12 to correct a posting oversight. This did not occur in FY13. The decrease was offset by an increase in materials and supplies of \$18 thousand and depreciation expense of \$6 thousand.
- Housing Authority expenses decreased from \$1.341 million in FY12 to \$1.306 million in FY13, a 2.6% decrease. The decrease was primarily attributed to a decrease of \$160 thousand in contractual services as a result of a decrease in homes that were rehabilitated in FY13 and a decrease of \$12 thousand in salary and wages. The decrease was offset by an increase of \$117 thousand in other services and charges and an increase of \$23 thousand in materials and supplies.
- Seybold Village expenses increased from \$157 thousand in FY12 to \$355 thousand in FY13, a 126.1% increase. The increase was primarily attributed to an increase of \$202 thousand in contractual services to utilize reserves for extraordinary and routine maintenance of facilities. This was offset by a decrease of \$3 thousand in other services and charges.
- Juvenile Detention Center expenses increased from \$905 thousand in FY12 to \$1.017 million in FY13, a 12.4% increase. The increase was primarily attributed to an increase of \$24 thousand in salaries and wages, an increase of \$12 thousand in contractual services, and an increase in materials and supplies of \$91 thousand. This was offset by a decrease of \$15 thousand in other services and charges.
- El Centro Familiar expenses decreased from \$404 thousand in FY12 to \$336 thousand in FY13, a 16.8% decrease. The decrease was primarily attributed to a decrease of \$60 thousand in salaries and wages, a decrease of \$55 thousand in other charges and services and a decrease of \$20 thousand in miscellaneous expense. This was offset by an increase of \$56 thousand in contractual services, an increase of \$6 thousand in depreciation expense and an increase of \$4 thousand in materials and supplies.

Financial Analysis of the County's Funds

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, assigned and unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$284,139,686, a decrease of \$29.1 million. Approximately 29.8% of this total, \$84,586,380, constitutes assigned (\$48,777,281) and unassigned (\$35,809,099), which is available for spending at the County's discretion. The remainder of fund balance is made up of non-spendable in form (*i.e., inventory, advances*) amounts of \$16,702,782, restricted amounts of \$139,556,679, and committed amounts of \$43,293,845 which are detailed in the notes to the financial statements.

General Fund. The County’s general fund balance decreased \$26,076,600 during the current fiscal year. Key factors in this decrease are based on the decrease in investment income as a result of the net decrease in the fair market value of investments in FY13 combined with a planned draw down of fund balance approved by the County Commission for various county projects which included the implementation of the new Vendor Invoice Management System, the implementation of the new Mobile Asset Management System, the implementation of the Governance Risk Compliance (GRC) Internal Access Controls solution, the purchase of heavy equipment for the Fire Department, and additional expenditures incurred at the County’s Metropolitan Detention Center (MDC).



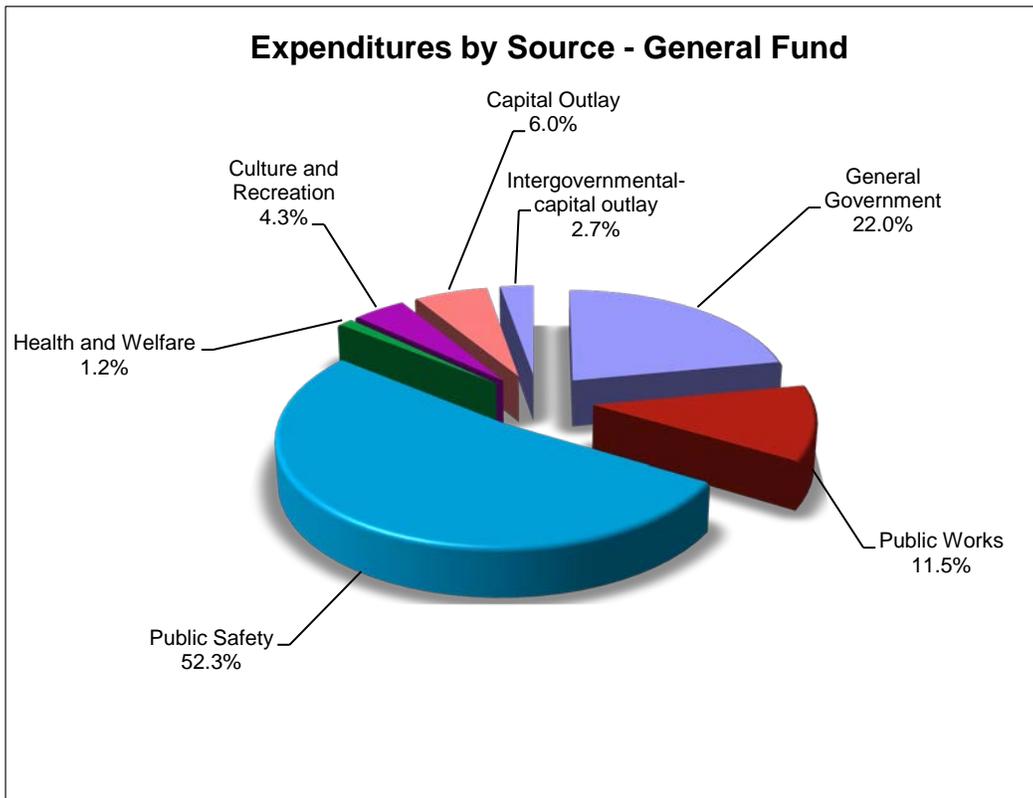
General Fund revenues decreased \$15 million from \$247.5 million in FY12 to \$232.5 million in FY13, a decrease of 6.1%. Key elements in the decrease of General Fund revenues are as follows:

- Property tax revenue increased by \$4.2 million from \$116.2 million in FY12 to \$120.4 million in FY13, a 3.6% increase. The increase was attributed to an increase in the County’s operational residential mill levy from 6.866 to 7.208 per \$1,000 of assessed taxable value and an increase in the County’s operational non-residential mill levy from 10.650 to 10.750 per \$1,000 of assessed taxable value. In addition, there was a slight increase in the current year property tax collections rate from 95.97% in FY12 to 96.33% in FY13. The increase in revenue was offset by a decrease in the assessed taxable valuation within the County of \$59 million from \$14.453 billion in FY12 to \$14.394 billion in FY13.
- Gross receipts tax revenue (GRT) increased by \$3.3 million from \$93 million in FY12 to \$96.3 million in FY13, a 3.5% increase. The increase was primarily attributed to an increase in gross receipts tax revenue as a result of the FY12 and FY13 equalization distribution from the state of \$3.0 million and \$3.2 million respectively, reported and recognized in FY13. This fiscal year, the County recorded, as a revenue accrual, the FY13 equalization distribution which was

received in cash in September 2013. In future reporting periods, the equalization distribution for the current period of this report will be recorded as a revenue accrual in the current period.

- Investment income revenue decreased by \$26.6 million from \$18.2 million in FY12 to a negative \$8.4 million in FY13, a decrease of 146.2%. The decrease was primarily attributed to the recognition of an unrealized investment income loss that resulted from the change in net market value of the County’s investments at the end of FY13 versus the net market value at the end of FY12. In FY12, the net market value of the County’s investments reflected a net increase of \$9.4 million and in FY13, the net market value of the County’s investments reflected a net decrease of \$14.2 million. As a result, the unrealized investment income, due to the change in net market value of the County’s investments, decreased by \$23.6 million from FY12 to FY13. In addition, the decrease was attributed to a decrease in realized investment income of \$3.1 million.
- Miscellaneous income revenue increased by \$2.5 million from \$5.3 million in FY12 to \$7.8 million in FY13, a 47.2% increase. The increase was primarily attributed to recording a revenue accrual of \$1.5 million for cash received from the City of Albuquerque in August 2013 for the return of a portion of health insurance premium payments made by the County which exceeded the cost of claims and administration for the fiscal years 2007 through 2013. In addition, in FY13, the County received a reimbursement of \$1.2 million from a \$3 million settlement payment made in FY12 following a judgment in a class action suit brought against the Sheriff’s Office involving the narcotics fund.

General Fund expenditures increased \$26.5 million from \$222.4 million in FY12 to \$248.9 million in FY13, an increase of 11.9%. Key elements in the increase in General Fund expenditures are as follows:



- General government expenditures increased by \$7.4 million from \$47.3 million in FY12 to \$54.7 million in FY13, a 15.6% increase. The majority of the increase was attributed to a \$1.2 million increase in contractual services and operating expenditures for the Bureau of Elections, a \$1.3 million increase in contractual services and operating expenditures for the Economic Development Department, a \$2 million increase in contractual services, computer supplies and other operating expenditures for Administration and Core Services, and a \$1.6 million increase in City Mandate expenditures. In addition, the increase was attributed to increases in operating expenditures for the Accounting Department, the Purchasing Department, and the Building Division section of \$1.5 million.
- Public works expenditures increased by \$1.8 million from \$26.8 million in FY12 to \$28.6 million in FY13, a 6.7% increase. The increase was attributed to an increase in operating expenditures for Building Maintenance of \$579 thousand, for Fleet Facilities Administration of \$86 thousand, for the Information Technology Program of \$54 thousand, for the Engineering Section of \$97 thousand, for Division Support Services of \$323 thousand, and for the Construction Section of \$156 thousand. In addition, the increase was attributed to an increase in utility expenditures of \$323 thousand.
- Public safety expenditures increased by \$7.3 million from \$122.8 million in FY12 to \$130.1 million in FY13, a 5.9% increase. A portion of the increase was attributed to an increase of \$1.4 million for field services expenditures at the Sheriff's Office, \$1.5 million for psychiatric acute care expenditures at the MDC, \$960 thousand for the McClendon lawsuit expenditures related to the MDC, \$755 thousand for segregation expenditures at the MDC, \$656 thousand for multi-line insurance premium expenditures for the MDC Executive program, and \$573 thousand for electronic monitoring contractual services expenditures at the MDC. In addition, the increase was attributed to an increase of \$1.8 million in operating expenditures at Communications, Fire and Rescue, the Youth Services Center, and the MDC.
- Health and welfare expenditures decreased by \$5.7 million from \$8.6 million in FY12 to \$2.9 million in FY13, a 66.3% decrease. The decrease was primarily attributed to expenditures recorded in the General Fund in FY12 for medical health care services provided to inmates at the MDC and other MDC expenditures which were recorded in the Health Care GRT Fund in FY13.
- Culture and recreation expenditures increased by \$1.4 million from \$9.4 million in FY12 to \$10.8 million in FY13, a 14.9% increase. The increase was primarily attributed to increases in operating expenditures for land management of open space of \$263 thousand, for community centers of \$105 thousand, for pools of \$167 thousand, for before and after school programs of \$111 thousand, for community service outreach of \$319 thousand, for parks maintenance of \$66 thousand, and for various other programs in this category.
- Capital outlay increased by \$8.1 million from \$6.9 million in FY12 to \$15 million in FY13, a 117.4% increase. The increase was primarily attributed to expenditures of \$2.7 million for heavy equipment, vehicles, and machinery and equipment for the Fire Department, \$1.2 million for general county fleet replacement, and \$1.2 million for IT infrastructure and equipment upgrades. In addition, the increase is attributed to expenditures of \$723 thousand for various parking lot paving projects for county facilities, \$262 thousand for Sheriff's Office vehicle fleet replacements, \$293 thousand for continued maintenance of the Annex Building located at 415

Tijeras NW, \$268 thousand for a heavy equipment motor grader for Public Works, and other expenditures for various projects around the County.

- Intergovernmental-capital outlay increased by \$6.2 million from \$589 thousand in FY12 to \$6.8 million in FY13, a 1,052.6% increase. The increase was primarily attributed to expenditures of \$5 million for the Middle Rio Grande Urban Wildlife Refuge project and \$1.6 million for the Mid-Region Council of Governments (*MRCOG*) bond redemption.

Grants Fund. The Grants Fund accounts for various federal, state and other grant funding sources received by the County. The grants are restricted to specific purposes as agreed to between the County and the funding source as enumerated in the grant agreement/contract. Grants related to the County's Housing Department are accounted for in the Housing Funds.

The Grants Fund had a fund balance of zero during the current fiscal year as revenues equaled expenditures.

Grants Fund revenues increased by \$2 million from \$16.9 million in FY12 to \$18.9 million in FY13, an increase of 11.8%. Key elements in the increase of the Grants Fund revenues are as follows:

- Intergovernmental revenues increased by \$1.6 million from \$16.8 million in FY12 to \$18.4 million in FY13, a 9.5% increase. The increase was primarily attributed to an increase in intergovernmental grant revenue reimbursements in FY13 of \$547 thousand for the APS/CNM school board election grant, \$541 thousand for the Department of Substance Abuse grants, \$303 thousand for the Center for Disease Control health grant, \$144 thousand for the new emergency management grant, and \$104 thousand for the City of Albuquerque elementary/mid-school initiative grant.
- Miscellaneous revenue increased by \$406 thousand from \$129 thousand in FY12 to \$535 thousand in FY13, a 314.7% increase. The increase was attributed to an increase in non-governmental grant revenue reimbursements in FY13 for the University of New Mexico Milagro grant for women substance abuse treatment and the Annie Casey private foundation grant for juvenile detention alternatives.

Grants Fund expenditures increased by \$2 million from \$16.9 million in FY12 to \$18.9 million in FY13, an increase of 11.8%. Key elements in the increase of the Grants Fund expenditures are as follows:

- General government expenditures increased by \$436 thousand from zero in FY12 to \$436 thousand in FY13. The increase was attributed to grant expenditures incurred by the Clerk's Office for the APS/CNM school board election held during FY13.
- Public safety expenditures increased by \$932 thousand from \$8.2 million in FY12 to \$9.1 million in FY13, an 11.4% increase. The increase was attributed to an increase in grant expenditures of \$460 thousand for the Department of Substance Abuse miscellaneous grants, \$288 thousand for administration of the Driving While Intoxicated (*DWI*) grants, and \$209 thousand for the Homeland Security Emergency Management Grant.

- Health and welfare expenditures increased by \$429 thousand from \$225 thousand in FY12 to \$654 thousand in FY13, a 190.7% increase. The increase was attributed to an increase in grant expenditures of \$322 thousand for the Environmental Health Grant and \$104 thousand for the Social Services Reimbursement Grant.
- Capital outlay expenditures decreased by \$647 thousand from \$4.6 million in FY12 to \$3.9 million in FY13, a 14.1% decrease. The decrease was primarily attributed to a decrease in grant expenditures of \$627 thousand for the Alameda Trail and \$196 thousand for the Fisher and Smith Gymnasium as these projects were completed in FY12.
- Intergovernmental-capital outlay increased by \$867 thousand from \$2.8 million in FY12 to \$3.7 million in FY13, a 31% increase. The increase was primarily attributed to a substantial increase in grant expenditures for the Codero Mesa Trans Line and Pump Station as the majority of work for this project was completed in FY13. This was offset by a decrease in grant expenditures for Eubank Boulevard as the majority of grant expenditures for this project were recorded in FY12 and prior fiscal years.

Construction Fund. The Construction Fund accounts for various construction projects related to road projects, storm sewer systems, acquiring of library books and library resources, remodeling required by the Americans with Disabilities Act, acquisition of land for expanding parks and recreational facilities, constructing and equipping sheriff's sub-stations, improvement of facilities for the County Public Health Department, and other projects. Financing for these projects is provided by general obligation bonds, gross receipts tax revenue bonds and earnings from the investment of those monies.

The Construction Fund balance increased by \$5.6 million from \$39.2 million in FY12 to \$44.8 million in FY13, a 14.3% increase. The increase was attributed to an increase in bond proceeds as, during the fiscal year, the County issued \$17.8 million in General Obligation Bonds, Series 2013. This was offset by \$12.3 million as expenditures exceeded revenues during the fiscal year.

Construction Fund revenues decreased by \$4.2 million from \$4.6 million in FY12 to \$360 thousand million in FY13, a 91.3% decrease. Key elements in the decrease of Construction Fund revenues are as follows:

- Intergovernmental revenues decreased by \$4.2 million from \$4.2 million in FY12 to \$14 thousand in FY13, a decrease of 100%. The decrease was attributed to a decrease in reimbursable contract revenue of \$4.2 million recognized from the Albuquerque Bernalillo County Water Utility Authority in FY12 for reimbursement of expenditures for the South Valley Drinking Water Phase VI project which was completed in FY12.

Construction Fund expenditures decreased by \$6.6 million from \$19.3 million in FY12 to \$12.7 million in FY13, a 34.2% decrease. Key elements in the decrease in Construction Fund expenditures are as follows:

- Capital outlay expenditures decreased \$4 million from \$14 million in FY12 to \$10 million in FY13, a 28.6% decrease. The majority of the decrease was attributed to a decrease in expenditures of \$2.2 million for the Stanford Health Clinic project as the majority of work on this project was completed in FY12. In addition, the expenditures for the James McGrane, Jr.

Public Safety Complex project decreased by \$1.3 million as the project was completed in FY12. The remainder of the decrease was attributed to decreased expenditures in FY13 for various other County capital outlay projects.

- Intergovernmental-capital outlay expenditures decreased by \$2.5 million from \$2.8 million in FY12 to \$329 thousand in FY13, an 89.3 % decrease. The decrease was primarily attributed to a decrease in expenditures for the South Valley Drinking Water Phase VI project which was completed in FY12.

Additional comparison of General, Special Revenue, and Debt Service Fund revenue and expenditures of prior years can be found in the statistical section of this report.

Special Revenue funds. As of the end of fiscal year 2013, the County's Special Revenue funds reported combined ending fund balances of \$30,633,116, a decrease of \$6,853,525. Of the fund balance, \$9,953 is non-spendable in form and the remainder of \$30,623,163 is restricted for specific purposes. Key elements in the decline of the total special revenue fund balance are as follows:

- The decrease was primarily attributed to a decrease of \$8.2 million in the fund balance of the Health Care GRT Fund from \$17.2 million in FY12 to \$9 million in FY13, a 47.7% decrease. In FY13, this fund generated \$10.1 million in revenues, expenditures of \$17.1 million, and other financial uses of \$1.2 million.
- The decrease was also attributed to a \$1.2 million decrease in the fund balance of the Section 8 Housing-Voucher Fund from \$2.1 million in FY12 to \$916 thousand in FY13, a 57.1% decrease. In FY13, this fund generated \$12 million in revenues, expenditures of \$13.2 million, and other financing sources of \$55 thousand.
- The decrease was offset by an increase of \$2.2 million in the fund balance of the Valuation Fund from \$13 million in FY12 to \$15.2 million in FY13, a 16.9% increase. In FY13, this fund generated \$5.6 million in revenues, expenditures of \$3 million, and other financing uses of \$326 thousand.

Debt Service funds. As of the end of fiscal year 2013, the County's Debt Service funds reported combined ending fund balances of \$19,813,253, an increase of \$706,535. Of the fund balance, \$14,276,949 is non-spendable in form and the remainder of the fund balance of \$5,536,304 is restricted to pay debt service. Key elements of the increase in the total fund balance are as follows:

- The increase was attributed to an increase of \$2.3 million in the General Obligation Bond Debt Service Fund from \$2.6 million in FY12 to \$4.9 million in FY13, an 88.5% increase. In FY13, this fund generated \$12.8 million in revenues, debt service expenditures of \$11.2 million, and other financing sources of \$717 thousand.
- The increase was also attributed to the establishment of two debt service reserve funds; Refunding Series 2010A Debt Reserve Fund for \$900,000 and Refunding Series 2010B Debt Reserve Fund for \$159,419, which were required per the bond documents.
- The increase was offset by a decrease of \$2,554,581 in the Series 1996B Debt Service Fund, the Series 1997 Debt Service Fund, the Refunding Series 1998 Debt Service Fund, the

Refunding Series 2005 Debt Service Fund, the Series 2008A Debt Service Fund, and the TRAN Debt Service Fund of \$915,865, \$451,519, \$432,362, \$447,645, \$187,661, and \$119,529 respectively.

Capital Projects funds. As of the end of fiscal year 2013, the County's Capital Project funds reported combined ending fund balances of \$7,873,719, a decrease of \$2,509,914. During the year, as capital projects are completed, the costs of the projects are reclassified as capital assets and removed from the capital project funds. The fund balance of \$7,873,719 is restricted for capital projects. Key elements of the decrease in the total fund balance are as follows:

- The majority of the decrease was attributed to a decrease of \$2.9 million in the Open Space Fund from \$5.7 million in FY12 to \$2.8 million in FY13, a 50.9% decrease. The majority of the decrease was in large part due to a small amount of residual property tax revenue recognized in FY13 as the mil levy expired in FY12 and capital outlay expenditures of \$1.5 million. There were also operating expenditures of \$1.5 million.
- The decrease was offset by an increase of \$447 thousand in the Impact Fee Fund balance as impact fee revenues and interest of \$554 thousand exceeded expenditures of \$107 thousand.

Proprietary funds. The County proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Other factors concerning the finances of these funds have been discussed in the business-type activities section of the MD&A.

Budgetary Highlights Original Budget – Final Budget Comparison.

General Fund. General fund total original budgeted revenues increased \$288 thousand or by 0.12% from \$236.7 million to \$237 million (*final*). General fund total original budgeted expenditures increased \$72.3 million or by 29.9% from \$241.4 million to \$313.7 million (*final*). Significant changes between the original budget and the final amended budget are summarized as follows:

- The miscellaneous original revenue budget increased \$265 thousand from \$4.2 million to \$4.4 million. The increase was primarily attributed to \$109 thousand established to accept and budget revenue from the sale of excess property at Fire Sub-Station 35 and \$50 thousand established to accept and budget revenue from the Department of Substance Abuse Program (DSAP) to support the creation of a web based client tracking system application for DSAP. In addition, \$23 thousand was established for the purpose of accepting and budgeting revenue from the 2012 Taste of New Mexico ticket sales.
- The general government human resources (HR) original expenditure budget increased \$849 thousand from \$4.3 million to \$5.1 million. The increase was attributed to \$582 thousand established for Timekeeper Training Software and \$269 thousand established for operating expenditures for HR training services provided to county employees.
- The general government information technology original expenditure budget increased \$1.5 million from \$7.4 million to \$8.9 million. The increase was to establish budget for technology system upgrades, technology infrastructure upgrades and replacement, and to support the purchase of 105 mobile data terminals with docking stations and CAD/ERS interface.

- The general government general county original expenditure budget increased \$15 million from \$9.9 million to \$24.9 million. The increase was primarily attributed to remaining encumbered purchase order budget swept into the general county line item as part of the FY12 purchase order close out process in FY13, line item transfers of excess budget from other categories into this category, and expenditure budget established to be used to fund various county projects during the year.
- The general government economic development original expenditure budget increased \$2.3 million from \$1.4 million to \$3.7 million. The majority of the increase was attributed to \$1.5 million established for the Las Estancias Local Economic Development Act Project and \$561 thousand established for contingency funding.
- The general government zoning, building and environmental health original expenditure budget increased \$1 million from \$4.1 million to \$5.1 million. The increase was to establish budget for upgrades to the department's permitting system.
- The general government clerk original expenditure budget increased \$782 thousand from \$5 million to \$5.8 million. The increase was to establish budget for the November 2012 general election.
- The public works fleet-facilities management original expenditure budget decreased \$1.7 million from \$18.3 million to \$16.6 million. The decrease was attributed to line item transfers from this category to the general government general county category to be used as needed for various county projects.
- The public safety metropolitan detention center (MDC) original expenditure budget increased \$12.1 million from \$50.4 million to \$62.5 million. The increase was primarily attributed to \$9.3 million established for various MDC initiatives which included population initiatives, the sewing initiative, pre-trial services, body scanners, the community custody program, and food service equipment, etc. In addition, \$2.8 million was established for any recurring technology needs.
- The public safety communications department original expenditure budget increased \$1.2 million from \$3.7 million to \$4.9 million. The increase was primarily established for the Sheriff's/Fire CAD Mobile and Records Management System.
- The public safety Sheriff original expenditure budget increased \$5.5 million from \$33.5 million to \$39 million. The increase was attributed to expenditure budget established for, salary increases and overtime, fleet replacement, metro air operations, and forensic lab services.
- The health and welfare MDC expenditure budget decreased \$4.9 million from \$6.4 million to \$1.5 million. The decrease was attributed to line item transfers from this category to the general government general county category to be used as needed for various MDC operations.
- The health and welfare social services expenditure budget increased \$921 thousand from \$428 thousand to \$1.3 million. The increase was attributed to expenditure budget established for the YDI Family & Community Services program, for Hogares Inc., which provides state of the art

mental health evaluation and treatment for children and youth, and to fund other social service programs.

- The culture and recreation parks and recreation expenditure budget increased \$1.7 million from \$8.4 million to \$10.1 million. The majority of the budget increase was established to fund seasonal temporary labor needs and for various other projects and programs at parks and recreation.
- The capital outlay original expenditure budget increased \$32.1 million from \$7.4 million to \$39.5 million. The increase was primarily attributed to \$5.5 million established for the Middle Rio Grande Wildlife Refuge project, \$2 million established for the North Valley Little League project, \$2.2 million established for the Sheriff's Office fleet replacement, \$3.9 million established for the Fire Station 41 and 46 upgrade project, \$1.9 million established for the Fire Department heavy equipment purchases, \$1.8 million established for MDC cameras, \$1.7 million established for general fleet replacement, \$1.2 million established for IT data center/infrastructure upgrades, and \$1.1 million established for the Conduit Fiber Install project. In addition, there was \$822 thousand established for the Syclo Mobil Work Order Management System, \$766 thousand established for HVAC upgrades, \$750 thousand established for upgrades at the Mid-Region Council of Government Building, and \$673 thousand established for upgrades at the Parky's Pals Community Center. In addition, budget was established for various other county projects.
- The intergovernmental capital outlay original expenditure budget increase from zero to \$1.6 million. The increase was established to redeem the Mid-Region Council of Governments outstanding bond.

Grants Fund. An original and final budget is not presented for this fund as this is a life-to-date fund and the County does not adopt an annual operating budget during the current fiscal year

Construction Fund. An original and final budget is not presented for this fund as this is a life-to-date fund and the County does not adopt an annual operating budget during the current fiscal year.

Budgetary Highlights – Budget to Actual

General Fund. General Fund revenues exceeded budgetary estimates by \$4,689,734 or by 2%. General Fund expenditures were less than budgetary estimates by \$63,683,153 or by 20.3%. During the year the County incurred a deficiency of revenues and other financing sources over expenditures and other financing uses in the amount of \$18,108,403. Individual significant differences between the General Fund final budget and actual amounts are summarized as follows:

- Property tax revenue had a positive variance of \$3,495,048. The budget projections estimated a 95% collection rate of current property taxes within the County as of June 30, 2013. The actual current year collection rate was 96.3%. The significant reason for the positive variance was that current property tax collections were \$2,159,418 greater than budget (*2% of budget*) and delinquent tax collections, interest on current and delinquent tax collections, and penalties on current and delinquent tax collections exceeded projections by \$1,335,630.

- Gross receipt tax (*GRT*) revenue had a negative variance of \$2,410,724. The negative variance was primarily attributed to a \$1.1 million decrease in the County's May 2013 tax distribution due to a State of New Mexico approved claim made by a business in the unincorporated area of Bernalillo County. In addition, the reduction was attributed to legislation passed by the state which reduced the tax rate for the utility and manufacturing industries which will continue to reduce *GRT* tax distributions to the County in future fiscal years.
- Miscellaneous revenue had a positive variance of \$1,876,622. The positive variance was primarily attributed to a one-time reimbursement payment received in FY13 for \$1.2 million from a \$3 million settlement payment made in FY12 following a judgment in a class action suit brought against the Sheriff's Office involving the federal narcotics fund. The remainder was attributed to more than expected general revenue in this category.
- General government legal expenditures had a positive variance of \$1,108,945. The variance was primarily attributed to lower than expected expenditures for contractual services of \$456,683 and less than expected expenditures from the contingency line item of \$621,229. In addition, there were less than expected expenditures of \$67,031 for regular full time salary and wages.
- General government accounting expenditures had a positive variance of \$1,071,313. The variance was primarily attributed to lower than expected expenditures from the contingency line item of \$675,075 and less than expected expenditures of \$248,060 for contractual services. In addition, the positive variance was due to salary savings of \$62,500.
- General government risk management expenditures had a positive variance of \$3,185,601. The variance was primarily attributed to lower than expected multi-line insurance premiums of \$2,786,076, less than expected expenditures for multi-line deductibles of \$190,779, and less than expected expenditures for law enforcement officer liability claims of \$104,015.
- General government human resources expenditures had a positive variance of \$1,178,164. The variance was primarily attributed to lower than expected expenditures for contractual services of \$1,055,388.
- General government information technology expenditures had a positive variance of \$1,507,702 which was primarily attributed to lower than expected expenditures for IT equipment maintenance repair of \$608,494 and less than expected expenditures from the contingency line item of \$955,664.
- General government general county expenditures had a positive variance of \$17,282,522. The variance was primarily attributed to lower than expected expenditures for contingencies of \$6,446,566, less than expected expenditures for salary contingency of \$9,499,636, and less than expected expenditures for fleet contingency of \$1,081,422.
- General government economic development expenditures had a positive variance of \$1,259,107. The variance was primarily attributed to lower than expected expenditures for contractual services of \$945,224 and less than expected expenditures for contingency of \$227,874.

- Public safety accounting expenditures had a positive variance of \$3,544,740. The variance was primarily attributed to lower than expected expenditures for maintenance of the Regional Detention Center facility of \$3,420,877.
- Public Safety metropolitan detention center (*MDC*) expenditures had a positive variance of \$5,423,381. A significant portion of the variance was attributed to lower than expected expenditures of \$4,665,478 for various operating expenditures in the MDC Executive line item and less than expected expenditures of \$613,700 for contractual services in the MDC Population line item.
- Public Safety communications department expenditures had a positive variance of \$1,426,550. The variance was primarily attributed to lower than expected expenditures for contingency of \$1,326,598.
- Public Safety sheriff expenditures had a positive variance of \$1,233,385. The variance was primarily attributed to lower than expected expenditures for salaries and benefits and for the metro air program.
- Health and welfare metropolitan detention center expenditures had a positive variance of \$1,296,022. The variance was attributed to less than expected expenditures for professional services related to health care services for MDC inmates recognized in the general fund.
- Capital outlay expenditures had a positive variance of \$23,147,141. The variance was primarily attributed to budgeted expenditures county-wide which never materialized or were less than expected during the year. These included positive variances for the following projects: \$3.9 million for upgrades and renovations at Fire Stations 41 and 46, \$2 million for the North Valley Little League project, \$1.7 million for MDC cameras, \$738 thousand for upgrades and renovations at the Mid-Region Council of Governments building, \$699 thousand for Sheriff's replacement vehicles, \$630 thousand for HVAC and electrical upgrades at the Juvenile Justice Center, \$557 thousand for community centers' renovations, \$511 thousand for general fleet replacement, and \$395 thousand for the Conduit Fiber Installation project. In addition, budget of \$5 million for the Middle Rio Grande Wildlife Refuge project was recognized in this category and the expenditure was recorded and recognized in the intergovernmental capital outlay category. The remaining variance balance pertained to various other projects county-wide with less than expected expenditures than what was budgeted.
- Intergovernmental capital outlay expenditures had a negative variance of \$5,180,126. The variance was primarily attributed to \$5 million in expenditures for the Middle Rio Grande Wildlife Refuge project recognized in this category and the budget recognized in the capital outlay category. The remaining variance was attributed to expenditures for other projects that were budgeted in the capital outlay category.

Grants Fund. A budget to actual statement is not presented for this fund as this is a life-to-date fund and the County does not adopt an annual operating budget during the current fiscal year.

Construction Fund. A budget to actual statement is not presented for this fund as this is a life-to-date fund and the County does not adopt an annual operating budget during the current fiscal year.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business type activities as of June 30, 2013 amounts to \$588,029,178 (*net of accumulated depreciation*). This investment in capital assets includes land, buildings, improvements, machinery and equipment, construction in progress, and infrastructure. Each year the Board of County Commissioners updates the Capital Improvements Program (*CIP*) in order to plan both long and short range financing for the County's capital projects. The CIP process provides for the development and submittal of requests for the annual and six-year requests for the Capital Improvements Program. A wide range of public facilities and equipment is considered in the CIP. There are statutory requirements that provide for design, construction, major repair, reconstruction or replacement of facilities such as buildings, jails, courthouses, roadways, bridges, parks, and some heavy equipment. The County can use several types of funding for the CIP that includes General Obligation Bonds, Revenue Bonds, Special Assessment District Bonds, Federal and State grants, and appropriations.

Citizen involvement is solicited to determine and prioritize the needs of the County by holding public meetings. The Board of County Commissioners holds periodic advertised meetings at various locations within each commission district to solicit public input and discuss the public's requests. Capital improvement projects selected by the Board and adopted in the CIP that are to be funded by general obligation bonds are placed on the ballot in the next general election. The general obligation bond schedule is based on a two-year cycle and issuance is currently limited to \$20,100,000 dollars by the Board of County Commissioners. Other Capital improvement projects are included in the State of New Mexico Infrastructure Program for funding consideration. Major capital asset events during the current fiscal year included the following:

- Construction was completed on the Alameda Trail project which consisted of a 12 foot wide trail from just north of Edith Boulevard to 4th Street. The project included landscaping and a trail bridge over Edith Boulevard. The project construction cost was \$1,769,462.
- Construction was completed on the Cordero Mesa 36-inch Transmission Line project which consisted of a transmission water line from Otto reservoir to Cordero Mesa reservoir. The project is part of a larger Cordero Mesa water system project that will supply water to the Western Albuquerque Land Holding development. The project construction cost was \$3,684,812.
- Construction was completed on the Eubank Boulevard Phase II project which consisted of widening Eubank Boulevard from Paseo Del Norte Boulevard to Wilshire Avenue. The project included a 12 foot wide asphalt trail, storm drainage improvements and landscaping. The project construction cost was \$1,715,675.
- Construction was completed on the County-wide Road Improvements Project, Phase I, which was the fourth improvement to the unpaved roads. The roads included in this project were: Frost Road, Kings Road, Anne Pickard Loop, Anne Pickard Court, San Pedro View, Juniper Drive, Cedar Lane, Canyon Road, Lakeview Drive, Kelly Lynn Drive, Marks Place, Fairview Drive, Skyline Drive, Skyline Drive West, North Court, Peacock Lane, Peacock Court, Big Dipper Road, Constellation Drive, Whippoorwill Lane, and East Ridge Road in the East Mountain area. The project construction cost was \$4,263,000.

- The Vista del Rio project consists of drainage improvements which are intended to improve storm water drainage for the Vista del Rio Neighborhood, an area of approximately 150 acres of established residential and semi-rural development located within the Southwest Valley of the County. Infrastructure improvements include new road, curb and gutter, and storm drain with inlets. The storm water in the northern half of the project will be conveyed to the Sanchez Farm pond and storm water in the southern half of the project will be conveyed to a new pond just east of Perry Road. The project will be constructed in four phases; Phase I includes Mora Road, Phase II is Vito Romero Road, Phase III is Bonito Road, and Phase IV will include Perry Road, Vista del Rio, Elena Drive, Rinconado Lane, a detention pond and pump station. Phase I was completed at a cost of \$1,207,298; Phase II was completed at a cost of \$1,432,881; Phase III is under construction and will cost \$1,433,063; Phase IV is in the final design phase and is estimated to cost \$5 million.
- Construction was completed on the Bosque Trail Improvement project which consisted of rehabilitating the Bosque Trail from Tingley Drive to the South Diversion Channel for a total distance of roughly 4.5 miles. The project improvements also included two bicycle monitoring stations, additional benches, signage, and improved connections to nearby facilities. The project construction cost was \$947,690.
- Construction was completed on the replacement of seven HVAC units and two chillers at County facilities. Three HVAC units were replaced at the Youth Service Center and four HVAC units were replaced at the Assessor's Building at a cost of \$689,822. Two chillers were replaced at the Public Safety Center located at 401 Roma NW at a cost of \$162,127. The replacement of these units will reduce high energy bills and increase comfort.
- Construction was completed on the replacement of four major roofs at County facilities at a total cost of \$868,373. The roof replacements took place at the Assessor's Building, the Bernalillo County U.S. District Courthouse, the Steve Schiff District Attorney Building, and the Union Square Building.
- Construction was completed on the Public Health Facility project which consisted of a 58,000 square foot tenant improvement that now houses the Department of Health and Las Familia. The facility replaced the existing Sanford Clinic that was housed at the University of New Mexico. The funding was provided through a State Legislative Grant, 1/16th Health Care Gross Receipts Tax, and General Obligation Bonds. Including the purchase of the land, the project construction cost was \$8,236,850.
- Construction has begun on the South Valley Multipurpose Addition project. It will consist of the addition of a 2,694 square foot multipurpose gym to the existing 17,700 square foot South Valley Multipurpose Community Center. The addition will have an occupancy load of 152 and will have direct access to the existing kitchen and will function as a shelter in-place for the area. The addition will include new restrooms and the building will be designed so that it can be converted to other uses as needed. The estimated completion date is late winter 2014 and will cost approximately \$823,610.
- Construction has begun on Fire Station 41 and Fire Station 46 located in the East Mountains. The project will include additions to the existing facilities to accommodate more fulltime fire fighters at full occupancy and to accommodate other Bernalillo County functions such as Environmental Health, Public Works, and Building Zoning and Planning. The estimated completion date is late

summer 2014 and will cost approximately \$4,805,000.

County of Bernalillo's Capital Assets

(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$136,156,585	\$136,026,601	\$ 435,352	\$ 435,352	\$136,591,937	\$136,461,953
Buildings	192,876,094	180,301,986	2,658,521	2,729,726	195,534,615	183,031,712
Machinery and equipment	21,785,984	19,790,783	114,002	93,732	21,899,986	19,884,515
Land improvements	14,427,206	7,979,635	151,276	35,276	14,578,482	8,014,911
Infrastructure	169,540,945	162,945,084	-	-	169,540,945	162,945,084
Leasehold improvements	1,758,510	1,887,046	-	-	1,758,510	1,887,046
Construction in progress	45,536,457	61,424,198	35,841	-	45,572,298	61,424,198
Art	2,552,405	2,534,675	-	-	2,552,405	2,534,675
Total	\$584,634,186	\$572,890,008	\$3,394,992	\$3,294,086	\$588,029,178	\$576,184,094

Additional information on the County's capital assets can be found in note IV-C. on pages 62-63 of this report.

Debt administration. The Bernalillo County Finance Division has analyzed the existing debt position of the County and has assessed the impact of future financing requirements on the County's ability to service additional debt. Review and analysis of the County's debt position is performed to provide a capital financing plan for infrastructure and other improvements. Long-term financing projections are linked with economic, demographic and financial resources expected to be available to repay the debt. Decisions regarding the use of debt are based upon a number of factors including, but not limited to, the long-term needs of the County and the amount of resources available to repay the debt. The debt policy is not expected to anticipate every future contingency in the County's capital program or future operational needs. Sufficient flexibility is required to enable County management to respond to unforeseen circumstances or new opportunities, when appropriate.

The County will maintain direct tax supported debt at a manageable level that takes into account economic factors including population, assessed valuation, and other current and future tax-supported essential needs. The decision to issue bonds, by either competitive or negotiated sale, is based upon which alternative will provide the County with lower costs. The Board of County Commissioners decides on an issue-by-issue basis which method of sale would be most appropriate. The County encourages the use of competitive sales for all issues unless circumstances dictate otherwise. Negotiated sales are considered if the sale is a complex financing structure. If a negotiated sale is anticipated, the Finance Division and County Bond Counsel establish a list of pre-qualified underwriters.

General Obligation Bonds. At the end of the current fiscal year, the County had total general obligation debt outstanding of \$120,525,000. The County has outstanding general obligation bonds for capital facilities including road improvements, storm drain improvements, library books, public safety improvements and park facility improvements. General obligation bonds are backed by the full faith and credit of the County government and are supported by ad valorem taxes. The tax rate depends upon debt service schedules and property valuation and is set by the New Mexico Department of Finance and Administration. In fiscal year 2013, this tax is approximately \$0.897 per \$1,000 of assessed taxable value in ad valorem taxes to support general obligation bonds, which constitute direct and general obligations of the County. These bonds have retirement dates ranging from December 1, 2017 through June 15, 2032. The ratio of net general obligation bonded debt to taxable valuation and

the amount of bonded debt per capita are useful indicators of the County's debt position. The State's Constitution provides for a legal debt limit of four percent (4.0%) of taxable valuation. The ratio for the County is less than one percent (0.8%) of the \$14.4 billion taxable value of property within Bernalillo County, as of June 30, 2013. The County may currently issue up to an additional \$453.4 million of general obligation bonds. The net general bonded debt per capita is \$181.76. The lowest per capita amount in the last ten fiscal years was \$133.59 in fiscal year ended June 30, 2006. The County's ratings on uninsured general obligation bonds as of June 30, 2013 were:

- Moody's Investors Service, Inc. - Aaa
- Standard & Poor's Rating Service - AAA
- Fitch Agency – AAA

Revenue Bonds. At the end of the current fiscal year, the County had total revenue bond debt outstanding of \$135,670,000. The County has six outstanding revenue bonds: the 1996B series, the 1997 series, the 1998 refunding series, the 2005 partial refunding series, the 2010A series, and the 2010B refunding series. These bonds are payable from net pledged gross receipt tax revenues. Although the bonds are general obligations of the County, the County intends to pay the bonds solely from the net pledged revenues. The net revenue bonded debt per capita is \$205.58. The lowest per capita amount in the last ten fiscal years was \$205.58 in fiscal year ended June 30, 2013. The pledged revenue coverage of gross receipts tax revenues to debt service requirements is 3.14. The lowest pledged revenue coverage in the last ten fiscal years was 1.43 in fiscal year 2011. These bonds have retirement dates ranging from October 1, 2017 through June 15, 2029. The County's ratings on gross receipt tax revenue bonds as of June 30, 2013 were:

- Moody's Investors Service, Inc. – Aa2
- Standard & Poor's Rating Service – AAA
- Fitch Agency – AA+

General Obligation and Revenue Bonds Outstanding

	Governmental Activities	
	2013	2012
General obligation bonds	\$ 120,525,000	\$ 109,845,000
Revenue bonds	135,670,000	142,985,000
Total	\$ 256,195,000	\$ 252,830,000

As presented above, the County's total outstanding bond debt increased by \$3,365,000 during the current fiscal year. Additional information on the County's long-term debt can be found in note IV.F on pages 65-68 of this report and in the statistical section of this report.

Economic Factors and Next Year's Budgets and Rates

The County's Board of Commissioners and Manager considered many factors when setting the fiscal year 2014 budget. The County's operating budgeted appropriations were increased approximately 3.3 percent from FY13 levels based on these factors. According to forecasts by the University of New Mexico's Bureau of Business and Economic Research, the outlook for the New Mexico economy is

slow growth with the economy returning to pre-recessionary levels by the end of 2015. The recovery of housing markets is expected to be a major component of growth over the next few years. For 2013, it is anticipated that New Mexico will add about 11,000 jobs for a 1.4% growth. For the period 2014 to 2016, the forecast is for the economy to expand by an average of 13,000 jobs per year for an average growth of 1.6%. New Mexico personal income growth in 2013 will be significantly impacted by the increase in the payroll social security tax that was set in place on January 2, 2013. For 2013, total personal income is forecast to grow by 2.2% and real disposable income will grow by only 0.6%. The unemployment rate has declined from a March 2013 rate of 6.9 % to a rate of 6.8 % in August 2013.

The outlook for the Albuquerque MSA economy is moderate growth and the economy is expected to reach pre-recessionary employment levels by late 2016 or early 2017. For 2013, forecasts indicate that total employment will grow by 1.0% in the first quarter of the year and 1.4% to 1.5% in each of the remaining quarters. The economy is expected to add 4,806 jobs for the year, with the private sector adding 5,022 jobs. Personal income is expected to grow slowly in 2013 by 2.3% after growing by only 2.1% in 2012. In the longer-term, personal income is forecast to grow by 5.1% in 2014 before slowing slightly to 4.8% in 2015. The unemployment rate has declined from an August 2012 rate of 7.3% to a rate of 7.0% in July 2013 and is forecast to continue to decline to 6.9% by 2014 and to 5.5% by 2018.

The Albuquerque MSA economy is forecast to add net jobs in 2013. The accommodation and food services are expected to add 1,148 jobs as growth in this sector shows no sign of slowing. Employment in the tourism sectors should also see an increase as the Downs at Albuquerque adds jobs at its new casino throughout the year. In addition, administrative and waste services are expected to add jobs as this sector stabilizes. Part of the gains will be from the Sitel call center, which will hire 200 full-time and 150 part-time positions at its Albuquerque location by the end of the year. Health and social assistance is forecast to add 781 jobs in the year. This sector, along with the finance and insurance sector should see an increase in the MSA from the 400 jobs announced to be added by Blue Cross Blue Shield, 400 by Molina Healthcare and the 64 jobs by United Healthcare before the end of the year. Also, construction is expected to add jobs as home building picks up in the MSA and begins to reflect the increased rate of growth of housing permits in the city of Albuquerque. The information sector is forecast to add 356 jobs, while the retail sector is expected to add 333 jobs as retailer Lowes Home Improvement continues to add jobs throughout the year. The professional and technical services sector is forecast to add 293 jobs as the demand for professionals increases with the improved economic conditions. The government sector is also expected to add jobs as state and local government budget situations improve.

In summary, the Albuquerque MSA economy will grow moderately in 2013 and will continue to grow each year through 2018.

Request for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Deputy County Manager for Finance, One Civic Plaza, NW – 10th Floor, Albuquerque, New Mexico 87102.

**COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF NET POSITION
JUNE 30, 2013**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 263,885,673	\$ 5,855,790	\$ 269,741,463
Accounts receivable, net	43,758,219	1,757,298	45,515,517
Accrued interest receivable	1,227,779	394	1,228,173
Note receivable	172,630	-	172,630
Due from grantor	2,894,254	-	2,894,254
Internal balances	1,429,997	(1,429,997)	-
Inventory	756,203	-	756,203
Prepaid assets	2,124,020	-	2,124,020
Deferred charges	1,096,893	-	1,096,893
Cash-restricted	12,806,949	-	12,806,949
Investment in joint venture	633,000	-	633,000
Capital assets not being depreciated:			
Land	136,156,585	435,352	136,591,937
Art	2,552,405	-	2,552,405
Construction in progress	45,536,457	35,841	45,572,298
Capital assets (net of accumulated depreciation):			
Building	192,876,094	2,658,521	195,534,615
Land improvements	14,427,206	151,276	14,578,482
Machinery and equipment	21,785,984	114,002	21,899,986
Infrastructure	169,540,945	-	169,540,945
Leasehold improvements	1,758,510	-	1,758,510
Total capital assets	<u>584,634,186</u>	<u>3,394,992</u>	<u>588,029,178</u>
Total assets	<u>915,419,803</u>	<u>9,578,477</u>	<u>924,998,280</u>
LIABILITIES			
Accounts payable	19,891,632	860,815	20,752,447
Interest payable	2,985,774	-	2,985,774
Accrued payroll	6,719,993	60,081	6,780,074
Unearned revenue	7,342,875	1,234,537	8,577,412
Due to grantor	-	1,541	1,541
Deposits held in trust for others	-	14,422	14,422
Noncurrent liabilities:			
Due within one year	19,790,902	32,819	19,823,721
Due in more than one year	271,966,969	331,834	272,298,803
Total liabilities	<u>328,698,145</u>	<u>2,536,049</u>	<u>331,234,194</u>
NET POSITION			
Net investment in capital assets	369,109,799	3,394,992	372,504,791
Restricted for:			
Public safety	1,944,890	-	1,944,890
Health and welfare	12,778,986	-	12,778,986
Debt service	7,006,304	-	7,006,304
Capital projects	26,034,420	-	26,034,420
General government	15,909,240	-	15,909,240
Reserve requirement	69,463,043	-	69,463,043
Unrestricted	84,474,976	3,647,436	88,122,412
Total net position	<u>\$ 586,721,658</u>	<u>\$ 7,042,428</u>	<u>\$ 593,764,086</u>

The notes to the financial statements are an integral part of this statement.



**BERNALILLO COUNTY, NEW MEXICO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 67,393,999	\$ 10,729,594	\$ 1,773,156	\$ 253,740	\$ (54,637,509)		\$ (54,637,509)
Public works	45,883,104	1,676,819	32,012	6,977,001	(37,197,272)		(37,197,272)
Public safety	153,629,728	2,529,245	11,575,975	53,600	(139,470,908)		(139,470,908)
Culture and recreation	21,360,907	1,049,072	613,147	657,462	(19,041,226)		(19,041,226)
Health and welfare	45,278,882	420,814	12,170,509	-	(32,687,559)		(32,687,559)
Interest on long-term debt	10,876,254	-	-	-	(10,876,254)		(10,876,254)
Total governmental activities	<u>344,422,874</u>	<u>16,405,544</u>	<u>26,164,799</u>	<u>7,941,803</u>	<u>(293,910,728)</u>		<u>(293,910,728)</u>
Business-type activities:							
Solid waste	4,710,379	4,825,778	176,000	-	-	\$ 291,399	291,399
Housing Authority	1,306,043	501,763	779,490	-	-	(24,790)	(24,790)
Seybold Village Handicapped Project	355,259	45,766	-	20,518	-	(288,975)	(288,975)
Regional Juvenile Detention Center	1,017,035	1,053,534	-	-	-	36,499	36,499
El Centro Familiar	336,185	196,080	172,950	-	-	32,845	32,845
Total business-type activities	<u>7,724,901</u>	<u>6,622,921</u>	<u>1,128,440</u>	<u>20,518</u>	<u>-</u>	<u>46,978</u>	<u>46,978</u>
Total primary government	<u>\$ 352,147,775</u>	<u>\$ 23,028,465</u>	<u>\$ 27,293,239</u>	<u>\$ 7,962,321</u>	<u>(293,910,728)</u>	<u>46,978</u>	<u>(293,863,750)</u>
General revenues:							
Property taxes					132,624,981	-	132,624,981
Gross receipts taxes					120,149,781	-	120,149,781
Motor vehicle taxes					3,702,824	-	3,702,824
Gas taxes					1,809,719	-	1,809,719
Investment income:							
Interest income					5,623,656	3,914	5,627,570
Net decrease in the fair value of investments					(12,814,794)	-	(12,814,794)
Miscellaneous					19,592,905	348,685	19,941,590
Transfers					(841,899)	841,899	-
Total general revenue and transfers					<u>269,847,173</u>	<u>1,194,498</u>	<u>271,041,671</u>
Change in net position					<u>(24,063,555)</u>	<u>1,241,476</u>	<u>(22,822,079)</u>
Net position - beginning					<u>610,785,213</u>	<u>5,800,952</u>	<u>616,586,165</u>
Net position - ending					<u>\$ 586,721,658</u>	<u>\$ 7,042,428</u>	<u>\$ 593,764,086</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF BERNALILLO, NEW MEXICO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	<u>General</u>	<u>Grants Fund</u>	<u>Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 172,786,465	\$ 2,437,531	\$ 42,614,707	\$ 44,421,061	\$ 262,259,764
Accounts receivable, net	34,264,326	-	3,525,000	5,968,893	43,758,219
Accrued interest receivable	955,674	-	67,325	204,780	1,227,779
Note receivable	172,630	-	-	-	172,630
Due from grantor	-	2,894,254	-	-	2,894,254
Inventory	746,250	-	-	9,953	756,203
Advances to other funds	1,497,000	-	-	1,470,000	2,967,000
Cash - restricted	-	-	-	12,806,949	12,806,949
Total assets	<u>\$ 210,422,345</u>	<u>\$ 5,331,785</u>	<u>\$ 46,207,032</u>	<u>\$ 64,881,636</u>	<u>\$ 326,842,798</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 11,935,783	\$ 724,137	\$ 1,370,058	\$ 5,101,343	\$ 19,131,321
Accrued payroll	6,410,033	180,810	-	129,150	6,719,993
Unearned revenue	10,358,054	2,929,838	-	1,291,052	14,578,944
Due to other funds	735,851	-	-	40,003	775,854
Advances from other funds	-	1,497,000	-	-	1,497,000
Total liabilities	<u>29,439,721</u>	<u>5,331,785</u>	<u>1,370,058</u>	<u>6,561,548</u>	<u>42,703,112</u>
Fund balances:					
Nonspendable	2,415,880	-	-	14,286,902	16,702,782
Restricted	69,493,554	-	26,029,939	44,033,186	139,556,679
Committed	43,293,845	-	-	-	43,293,845
Assigned	29,970,246	-	18,807,035	-	48,777,281
Unassigned	35,809,099	-	-	-	35,809,099
Total fund balances	<u>180,982,624</u>	<u>-</u>	<u>44,836,974</u>	<u>58,320,088</u>	<u>284,139,686</u>
Total liabilities and fund balances	<u>\$ 210,422,345</u>	<u>\$ 5,331,785</u>	<u>\$ 46,207,032</u>	<u>\$ 64,881,636</u>	<u>\$ 326,842,798</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF BERNALILLO, NEW MEXICO
 RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 JUNE 30, 2013**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance governmental funds (page 34)	\$ 284,139,686
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	584,634,186
Investments in joint ventures are not reported in the Governmental funds.	633,000
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,096,893
Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,601,449
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(291,757,871)
Accrued Interest Payable	(2,985,774)
Recognition of property tax revenue (less allowance for uncollectible accounts) on full accrual basis. Governmental funds recognize property tax revenue on the modified accrual basis.	9,360,089
Net position governmental activities. (page 32)	<u>\$ 586,721,658</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

	General	Grants Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 120,416,953	\$ -	\$ -	\$ 12,773,033	\$ 133,189,986
Sales	96,316,614	-	-	23,833,167	120,149,781
Motor vehicle	3,702,824	-	-	-	3,702,824
Gas	1,809,719	-	-	-	1,809,719
Intergovernmental:					
Federal	407,065	5,133,386	-	12,112,275	17,652,726
State	530,628	12,346,607	-	1,661,514	14,538,749
Other	777,482	873,743	13,902	250,000	1,915,127
Licenses and permits	2,648,321	-	-	-	2,648,321
Fees for services	6,459,802	-	-	7,297,421	13,757,223
Investment income:					
Interest Income	4,406,434	-	345,616	871,606	5,623,656
Net decrease in the fair value of investments	(12,814,794)	-	-	-	(12,814,794)
Miscellaneous	7,828,471	534,881	-	613,060	8,976,412
Total revenues	232,489,519	18,888,617	359,518	59,412,076	311,149,730
EXPENDITURES					
Current:					
General government	54,659,667	436,440	1,216,510	3,757,127	60,069,744
Public works	28,620,426	340,022	928,513	410,110	30,299,071
Public safety	130,101,375	9,096,793	842	2,052,777	141,251,787
Health and welfare	2,859,663	654,181	-	39,757,346	43,271,190
Culture and recreation	10,777,214	717,388	18,491	473,568	11,986,661
Capital outlay	15,010,837	3,929,714	10,049,645	3,659,830	32,650,026
Intergovernmental - capital outlay	6,826,346	3,714,079	328,870	2,082,868	12,952,163
Debt service:					
Principal	-	-	-	14,435,000	14,435,000
Interest	-	-	-	11,449,338	11,449,338
Bond issuance cost	-	-	120,367	-	120,367
Total expenditures	248,855,528	18,888,617	12,663,238	78,077,964	358,485,347
Excess (deficiency) of revenues over expenditures	(16,366,009)	-	(12,303,720)	(18,665,888)	(47,335,617)
Other financing sources (uses)					
Transfers in	307,190	-	-	13,525,446	13,832,636
Transfers out	(10,403,267)	-	(717,066)	(3,554,202)	(14,674,535)
Bonds issued	-	-	17,800,000	-	17,800,000
Premium	-	-	837,434	-	837,434
Sale of capital assets	385,486	-	-	37,740	423,226
Total other financing sources (uses)	(9,710,591)	-	17,920,368	10,008,984	18,218,761
Net changes in fund balances	(26,076,600)	-	5,616,648	(8,656,904)	(29,116,856)
Fund balance - beginning	207,059,224	-	39,220,326	66,976,992	313,256,542
Fund balance - ending	<u>\$ 180,982,624</u>	<u>\$ -</u>	<u>\$ 44,836,974</u>	<u>\$ 58,320,088</u>	<u>\$ 284,139,686</u>

The notes to financial statements are an integral part of this statement.

**COUNTY OF BERNALILLO, NEW MEXICO
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, 2013**

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

Net changes in fund balances total governmental funds (page 36)	\$ (29,116,856)
Governmental funds report capital outlay 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. This is the amount by which capital outlays exceeded depreciation in the current period.	12,469,624
The net effect of sale of capital assets is to increase net position. In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of capital assets sold.	(725,446)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(565,005)
The issuance of long-term debt (e.g., bonds, 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(4,082,067)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(2,043,805)
Change in net position of governmental activities (page 33)	<u>\$ (24,063,555)</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
 STATEMENT OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP Budgetary Basis)
 GENERAL FUND
 For the Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 117,195,053	\$ 117,195,053	\$ 120,690,101	\$ 3,495,048
Sales	94,321,678	94,321,678	91,910,954	(2,410,724)
Motor vehicle	3,772,316	3,772,316	3,721,609	(50,707)
Gas	1,762,000	1,762,000	1,789,137	27,137
Intergovernmental - federal	-	-	407,066	407,066
Intergovernmental - state	-	-	520,502	520,502
Intergovernmental - other	-	-	777,482	777,482
Licenses and permits	2,946,083	2,969,583	2,648,321	(321,262)
Fees for services	6,411,553	6,411,553	6,597,748	186,195
Investment income	6,100,080	6,100,080	6,282,455	182,375
Miscellaneous	4,174,485	4,439,384	6,316,006	1,876,622
Total revenues	<u>236,683,248</u>	<u>236,971,647</u>	<u>241,661,381</u>	<u>4,689,734</u>
Other Financing Sources:				
Transfer in	685,708	685,708	307,190	(378,518)
Sale of assets	100,000	333,669	385,486	51,817
Total other financing sources	<u>785,708</u>	<u>1,019,377</u>	<u>692,676</u>	<u>(326,701)</u>
Total revenues and other financing sources	<u>237,468,956</u>	<u>237,991,024</u>	<u>242,354,057</u>	<u>4,363,033</u>
Prior year cash balance budgeted	<u>12,407,106</u>	<u>86,154,589</u>		
Total budget	<u>249,876,062</u>	<u>324,145,613</u>		
EXPENDITURES				
Current:				
General government:				
County commission	888,145	1,015,472	907,126	108,346
County manager	1,056,197	1,184,634	1,028,635	155,999
Deputy	456,643	416,703	416,213	490
Legal	3,155,210	3,351,949	2,243,004	1,108,945
Public information	697,566	689,187	586,832	102,355
Assessor	2,645,921	2,508,973	2,460,814	48,159
Treasurer	2,650,682	2,564,526	2,403,764	160,762
Accounting	4,406,220	4,230,489	3,159,176	1,071,313
Risk management	6,694,687	6,530,893	3,345,292	3,185,601
Budget and business improvement	3,715,428	4,122,044	3,626,377	495,667
Human resources	4,307,965	5,156,625	3,978,461	1,178,164
Information technology	7,410,429	8,942,129	7,434,427	1,507,702
Purchasing	1,275,311	1,559,534	1,493,767	65,767
General county	9,852,837	24,903,497	7,620,975	17,282,522
Solid waste	697,259	631,494	513,222	118,272
Planning and Geo Resources	-	5,250	-	5,250
Social Services	1,875	9,375	7,165	2,210
Economic development	1,384,821	3,680,493	2,421,386	1,259,107
Zoning, building and environmental health	4,076,136	5,146,592	4,240,409	906,183
Clerk	4,981,083	5,763,230	5,660,070	103,160
Probate	235,774	243,214	239,971	3,243
Capital improvements	654,490	516,015	425,663	90,352
Total general government	<u>61,244,679</u>	<u>83,172,318</u>	<u>54,212,749</u>	<u>28,959,569</u>

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP Budgetary Basis)
GENERAL FUND
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Public works:				
General county	47,012	47,012	47,012	-
Solid waste	2,432,990	2,396,777	1,825,482	571,295
Division support	638,332	837,514	834,927	2,587
Fleet-facilities management	18,290,472	16,566,739	15,715,135	851,604
Operations and maintenance	4,610,576	3,981,464	3,799,791	181,673
Technical services	3,054,811	3,183,695	3,171,736	11,959
Planning and geo resources	2,989,794	3,007,933	2,728,286	279,647
Economic Development	130,914	130,914	125,577	5,337
Parks and recreation	270,534	270,346	283,938	(13,592)
Total public works	<u>32,465,435</u>	<u>30,422,394</u>	<u>28,531,884</u>	<u>1,890,510</u>
Public safety:				
Deputy County Manager for Public Safety	404,541	374,887	374,361	526
Accounting	3,606,127	3,578,605	33,865	3,544,740
Information technology	994,783	979,325	794,244	185,081
Purchasing	-	103,430	102,750	680
General county	383,950	91,320	46,513	44,807
Fire and rescue	19,604,577	20,147,348	20,581,597	(434,249)
Office of emergency management	449,049	198,089	145,470	52,619
Metropolitan detention center	50,403,770	62,541,952	57,118,571	5,423,381
Animal care	1,776,915	1,886,686	1,767,641	119,045
Communications department	3,717,607	4,922,798	3,496,248	1,426,550
Sheriff	33,458,533	39,001,871	37,768,486	1,233,385
Youth services	7,128,318	7,866,330	7,547,164	319,166
Total public safety	<u>121,928,170</u>	<u>141,692,641</u>	<u>129,776,910</u>	<u>11,915,731</u>
Health and welfare:				
Accounting	66,352	117,421	106,165	11,256
General County	3,661	3,661	3,661	-
Solid waste	253,556	18,736	215,000	(196,264)
Metropolitan detention center	6,428,157	1,495,648	199,626	1,296,022
Social services	427,852	1,349,133	1,190,576	158,557
Zoning, building and environmental health	2,047,936	2,130,069	1,666,428	463,641
Parks and recreation	30,000	30,000	30,000	-
Housing	232,487	550,300	332,424	217,876
Total health and welfare	<u>9,490,001</u>	<u>5,694,968</u>	<u>3,743,880</u>	<u>1,951,088</u>
Culture and recreation:				
Deputy county manager for community services	288,229	832,382	328,114	504,268
Accounting	84,824	96,549	62,689	33,860
General county	-	15,000	15,000	-
Social services	124,447	318,000	256,186	61,814
Economic development	1,218	232,592	187,072	45,520
Parks and recreation	8,403,291	10,076,679	9,722,901	353,778
Total culture and recreation	<u>8,902,009</u>	<u>11,571,202</u>	<u>10,571,962</u>	<u>999,240</u>
Capital outlay	7,406,201	39,542,604	16,395,463	23,147,141
Intergovernmental capital outlay	-	1,646,219	6,826,345	(5,180,126)
Total expenditures	<u>241,436,495</u>	<u>313,742,346</u>	<u>250,059,193</u>	<u>63,683,153</u>
Other financing uses				
Transfers out	8,439,567	10,403,267	10,403,267	-
Total expenditures and other financing uses	<u>\$ 249,876,062</u>	<u>\$ 324,145,613</u>	<u>\$ 260,462,460</u>	<u>\$ 63,683,153</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses			<u>\$ (18,108,403)</u>	

The notes to the financial statements are an integral part of this statement

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013

	Business-type Activities	Governmental
	Enterprise Funds	Activities-
	Total	Internal
	Nonmajor	Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 5,855,790	\$ 1,625,909
Accounts receivable, net	1,757,298	-
Accrued interest receivable	394	-
Due from other funds	697,321	735,851
Prepaid assets	-	2,124,020
	<u>8,310,803</u>	<u>4,485,780</u>
Total current assets		
Noncurrent assets:		
Capital assets:		
Land	435,352	-
Land improvements	166,027	-
Buildings	6,520,210	-
Construction in progress	35,841	-
Equipment, machinery, and furniture	1,645,779	-
Less accumulated depreciation	<u>(5,408,217)</u>	<u>-</u>
Total noncurrent assets	<u>3,394,992</u>	<u>-</u>
Total assets	<u>11,705,795</u>	<u>4,485,780</u>
LIABILITIES		
Current liabilities:		
Accounts payable and other current liabilities	860,815	760,311
Compensated absences	32,819	-
Accrued payroll	60,081	-
Due to other funds	657,318	-
Due to grantor	1,541	-
Unearned revenue	<u>1,234,537</u>	<u>2,124,020</u>
	<u>2,847,111</u>	<u>2,884,331</u>
Total current liabilities		
Noncurrent liabilities:		
Compensated absences	331,834	-
Deposits held in trust for others	14,422	-
Advance from other funds	<u>1,470,000</u>	<u>-</u>
Total noncurrent liabilities	<u>1,816,256</u>	<u>-</u>
Total liabilities	<u>4,663,367</u>	<u>2,884,331</u>
NET POSITION		
Net investment in capital assets	3,394,992	-
Unrestricted	<u>3,647,436</u>	<u>1,601,449</u>
Total net position	<u>\$ 7,042,428</u>	<u>\$ 1,601,449</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2013

	Business-type Activities	Governmental
	Enterprise Funds	Activities-
	Total	Internal
	Nonmajor	Service Funds
	<u> </u>	<u> </u>
Operating revenues:		
Administrative and service fees	\$ 6,381,075	\$ 7,215,257
Rental income:		
Tenants	241,846	-
Other income	281,410	-
Total operating revenues	<u>6,904,331</u>	<u>7,215,257</u>
Operating expenses:		
Salaries and wages	1,643,541	-
Contractual services	4,954,864	7,215,257
Materials and supplies	284,761	-
Other services and charges	538,824	-
Miscellaneous expense	57,806	-
Depreciation	245,105	-
Total operating expenses	<u>7,724,901</u>	<u>7,215,257</u>
Operating income (loss)	<u>(820,570)</u>	<u>-</u>
Non-operating revenues:		
Interest income	3,914	-
Gain on sale of capital assets	67,275	-
Grants - subsidies	348,950	-
Other government grant subsidies	779,490	-
Total nonoperating revenue	<u>1,199,629</u>	<u>-</u>
Income (loss) before contributions and transfers	379,059	-
Capital - grant subsidies	20,518	-
Transfers in	<u>841,899</u>	<u>-</u>
Change in net position	1,241,476	-
Total net position - beginning	5,800,952	1,601,449
Total net position - ending	<u>\$ 7,042,428</u>	<u>\$ 1,601,449</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2013

	Business-type Activities	Governmental
	Enterprise Funds	Activities-
	Total	Internal
	Nonmajor	Service Funds
Cash flows from operating activities:		
Receipts from administration and service fees	\$ 6,773,709	\$ 7,071,585
Receipts from rents	246,348	-
Receipts from other funds for goods and services	581,152	-
Payments to employees for services	(1,443,058)	-
Payments to vendors for goods and services	(6,278,590)	(7,134,502)
Payments to other funds for goods and services	(379,009)	-
Miscellaneous cash received	111,620	-
Net cash provided (used) by operating activities	<u>(387,828)</u>	<u>(62,917)</u>
Cash flows from noncapital financing activities:		
Operating grants/subsidies received	1,128,440	-
Contributions to other funds	(60,000)	-
Transfers in from other funds	841,899	-
Net cash provided by noncapital financing activities	<u>1,910,339</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Proceeds from sale of capital assets	67,275	-
Acquisition of capital assets	(346,011)	-
Capital grants received	20,518	-
Net cash provided (used) by capital and related financing activities	<u>(258,218)</u>	<u>-</u>
Cash flows from investing activities:		
Interest received on investments	3,914	-
Net increase in cash and cash equivalents	1,268,207	(62,917)
Cash and cash equivalents, beginning of year	<u>4,587,583</u>	<u>1,688,826</u>
Cash and cash equivalents, end of year	<u>\$ 5,855,790</u>	<u>\$ 1,625,909</u>
Reconciliation of operating loss to net cash flows provided (used) by operating activities:		
Operating income (loss)	\$ (820,570)	\$ -
Adjustments to reconcile operating income to net cash provided(used) by operating activities:		
Depreciation expense	245,105	-
Change in assts and liabilities:		
Accounts receivable	3,563,453	-
Allowance for uncollectable accounts	(3,335,049)	-
Inventory	4,729	-
Due from other funds	246,738	(143,472)
Prepaid expenses	-	(71,636)
Deferred revenue	(272)	71,636
Accounts payable	66,145	80,555
Due to other funds	(210,959)	-
Tenants payable	(786)	-
Accrued compensated absences	(146,362)	-
Net cash flows provided (used) by operating activities	<u>\$ (387,828)</u>	<u>\$ (62,917)</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 20,478,538
Receivables, net:	
Property taxes	37,524,659
Other	<u>3,790,000</u>
Total assets	<u>\$ 61,793,197</u>
LIABILITIES	
Deposits held in trust for others	\$ 20,547,722
Other	3,439
Future collectable taxes	<u>41,242,036</u>
Total liabilities	<u>\$ 61,793,197</u>

The notes to the financial statements are an integral part of this statement.



COUNTY OF BERNALILLO, NEW MEXICO
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NOTES TO THE FINANCIAL STATEMENTS

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**COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

I. Summary of significant accounting policies

The financial statements of the County of Bernalillo (County) have been prepared in conformity with generally accepted accounting principles as applied to governmental entities. The significant governmental accounting policies are described below.

A. Reporting entity

The County was established by the laws of the Territory of New Mexico of 1876, under the provisions of the act now referred to as Section 4-1-1 of the New Mexico Statutes Annotated, 1978 Compilation. The County operates under the commission-manager form of government and provides the following services as authorized in the grant of powers: public safety (sheriff, fire, emergency medical, etc.), highways and streets, sanitation, health and social services, low rent housing assistance, culture-recreation, public improvements, planning and zoning, and general administration services.

The County's basic financial statements include all activities and accounts of the County's "financial reporting entity."

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. There are no agencies, organizations or activities meeting any of the above criteria that are excluded from the County's reporting entity.

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Some organizations are included as component units because of their fiscal dependency on the primary government if they are unable to adopt a budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government.

There are no component units during the fiscal year ended June 30, 2013.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise 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 proprietary fund financial statements. Fiduciary fund financial statements are reported using the accrual basis of accounting and have no measurement focus. 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 in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Under GASB 33, the County defines "available" to 60 days after the fiscal year end. Business-type activities are financed in

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

whole or in part by fees charged to external parties. 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 made.

Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, gross receipts taxes, motor vehicle taxes, cigarette taxes, gasoline taxes, licenses, grants, entitlements, donations 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. Derived gross receipts tax revenue is recognized when the underlying exchange transaction takes place. A small portion of the gross receipts tax revenue is derived from an estimate of delinquent taxes not yet collected and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

The *Grants fund* accounts for various federal, state and other grant funding resources to be used for specific purposes agreed to between the County and the funding sources as enumerated in the grant agreement/contract.

The *Construction fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the government reports the following fund types:

Internal service funds account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service fund is the Risk Management fund, which is used to account for its risk management activities.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's risk management and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and/or delivering goods in connection with proprietary fund's principal ongoing operations. Approximately 92% of the operating revenues of the County's five proprietary funds consist of user and administrative fees.

The modified accrual basis of accounting is followed by the governmental fund types for financial statement purposes. Under the modified accrual basis of accounting, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period (amounts collected within 60 days after year end).

Those revenues susceptible to accrual are property taxes, gross receipts taxes, investment income and charges for services. Grant revenues are recognized as revenues when the related costs are incurred. All other revenues are recognized when they are received and are not susceptible to accrual, because they are usually not measurable until payment is actually received. Expenditures are recorded as liabilities when they are incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The County reports unearned revenue on its combined balance sheet. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria methods are met or when the County has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

When both restricted and unrestricted (committed, assigned, or unassigned) amounts are available for use, it is the County's policy to consider restricted amounts be reduced first. When an expenditure is incurred for purposes for which amounts in any unrestricted fund balance classification could be used, it shall be the policy of the County that committed amounts would be used first, followed by assigned amounts and then unassigned amounts.

**COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

D. Assets, liabilities, and net position or equity

1. Deposits and investments

The County's 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. Investments in the County's cash are stated at fair value using quoted market prices for financial statement purposes. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

State Statute Sections 6-10-44 and 6-10-10(f), NMSA 1978, as amended, authorize the County Treasurer to invest in United States Treasury certificates, United States Treasury bonds or negotiable securities of the United States, bonds or negotiable securities of the State of New Mexico or of any county, municipality, or school district and yield maintenance repurchase agreements with the advice and consent of the County Board of Finance. The Treasurer's investment procedures must be consistent with Bernalillo County Investment Policy.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year that are expected to be paid back within the year are referred to as "due to/from other funds." Lending/borrowing arrangements not expected to be paid back within the year are referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances."

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

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to .07% of outstanding property taxes at June 30, 2013.

The County is responsible for assessing, collecting and distributing property taxes for other governmental entities and its own operational and debt service purposes. Property taxes are assessed on November 1 of each year based on the assessed value on the prior January 1 and are payable in two equal installments by November 10 of the year in which the tax bill is prepared and by April 10 of the following year. Property taxes are delinquent if not paid by December 10 and May 10. Taxes on real property are a lien from January 1 of the year for which the taxes are imposed. Collections and remittance of County property taxes are accounted for in the County Treasurer Agency Funds. The billings are considered past due 60

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days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

3. Inventories

The inventories in the general fund consist of warehouse items, supplies, fuel, vehicle parts, and fluids. Inventories in the fire district fund consist of office and janitorial supplies and some general miscellaneous items. Inventories are recorded using the average cost method. The costs of inventories in governmental fund types are recorded as expenditures when purchased; therefore, the inventory amount is not available for appropriation.

4. Capital assets

Capital assets, which include property, plant, equipment, software, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$1,000 and estimated useful life in excess of one year and after July 1, 2005 an individual cost of \$5,000. Purchased or constructed assets are recorded at historical cost or estimated cost. Donated capital assets are recorded as estimated fair market value at the date of the donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	10-80
Buildings and other improvements	15-40
Machinery and equipment	5-10

5. Restricted assets

Certain resources are set aside for repayment of General Obligation and Special Revenue Bonds, and are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited to the applicable bond covenants.

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6. *Compensated absences*

County employees may accumulate limited amounts of vacation pay which are payable to the employee upon termination or retirement. Also, at will employees can accumulate unlimited vacation pay. For governmental funds, expenditures are recognized during the period in which vacation costs become payable from available, expendable resources. A liability for these amounts is reported in governmental funds only if they matured, for example, as a result of employee resignations and retirements. A liability for amounts earned but not payable from available, expendable resources is reported in the government-wide financial statements. For proprietary funds, vacation costs are recognized as a liability when earned.

County employees may accumulate limited amounts of sick leave. For governmental funds, expenditures are recognized during the period in which sick leave costs become payable from available, expendable resources. For proprietary funds, sick leave costs are recognized when vested or taken, whichever occurs first.

7. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. *Net position*

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as follows:

Net investment in capital assets – This category reflects the portion of net position that are associated with capital assets less outstanding capital asset related debt.

Restricted net position – This category reflects the portion of net position that has third party limitations on their use.

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Unrestricted net position – This category reflects net position of the County, not restricted for any project or other purpose.

9. Fund balance classification

In the governmental fund financial statements, fund balance is reported in five classifications.

No spendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form; for example inventories, prepaid amounts, long-term amount of loans and notes receivable or (b) legally or contractually required to be maintained intact; for example debt service reserves.

Restricted - This classification includes amounts that are restricted to a specific purpose. Fund balances are restricted when constraints placed on the use of resources are either: (a) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; (b) Enabling legislation, as the term is used authorizes the County to assess, levy, charge or otherwise mandate payment of resources and includes a *legally enforceable* requirement that those resources be used only for the specific purposes stipulated in the legislation.

Committed - This classification includes amounts that can only be used for specific purposes to constraints imposed by formal action of the County's highest level of decision-making authority. The Board of County Commissioners (Commission) is the highest level of decision making authority for the County that can, by adoption of a resolution commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned – This classification includes amounts that are constrained by the County's *intent* to be used for specific purposes, but are neither restricted nor committed and should be reported as assigned fund balance. The Board of County Commissioners has by resolution delegated the authority to assign amounts to be used for specific purposes to the County Manager and the Deputy County Manager for Finance.

Unassigned – This classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

It is the County's policy at the end of the fiscal year, that the County will maintain spendable, unassigned portions of the General Fund balance for cash flow equal to two months of the prior year General Fund operating expenditures. In addition to cash flows needs this accommodates emergency contingency concerns.

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B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, “Governmental funds report capital outlay 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.” The details of this difference are as follows:

Capital outlay	\$ 32,650,026
Capital outlay – Internal labor Included in operating expenses	1,025,520
Donated assets	10,918,713
Depreciation expense	<u>(32,124,635)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position in governmental activities	<u>\$ 12,469,624</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position.”

Sale of assets	\$ (423,226)
Loss on Disposal	(658,488)
Gain on sale of assets	<u>356,268</u>
Net adjustment to decrease total governmental funds to arrive at changes in net position in governmental activities	<u>\$ (725,446)</u>

Another element of that reconciliation states that “Some revenues in the statement of activities do not provide current financial resources and are not reported as revenues in the funds.” The details of this difference are as follows:

Property taxes receivable – current year	\$ 9,360,089
Property taxes receivable – prior year	<u>(9,925,094)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position in governmental activities	<u>\$ (565,005)</u>

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Another element of that reconciliation states that, “the issuance of long-term debt (e.g., bonds, 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 position. The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (17,800,000)
Bond issuance cost	120,367
Premium	(837,434)
Principal repayments:	
General obligation bonds	7,120,000
Revenue bonds	7,315,000
Net adjustment to decrease net changes in fund balances –	
Total governmental funds to arrive at changes in net position	7,315,000
of governmental activities	<u>\$ (4,082,067)</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Compensated absences	\$ (2,377,449)
Accrued interest	20,049
Amortization of premium	553,035
Amortization of deferred charge on refunding	(82,662)
Amortization of bond discounts	(43,631)
Amortization of issuance cost	<u>(113,147)</u>
Net adjustment to decrease net changes in fund balances – total	
governmental funds to arrive at changes in net position in	7,315,000
governmental activities	<u>\$ (2,043,805)</u>

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III. Stewardship, compliance and accountability

A. Budgetary information

Actual amounts on the budgetary basis financial statements are prepared on the cash basis of accounting which recognizes revenues when received and expenditures when paid. Annual budgets are adopted for the general, internal service, most special revenue, debt service funds, and some proprietary funds. The proprietary funds and the following governmental funds did not adopt annual operating budgets during the current fiscal year:

Special Revenue:	All Capital Projects Funds
Grants	Proprietary Funds:
Section 8 Housing – Vouchers	Bernalillo County Housing Authority
Sheriff’s Investigative Fund	Seybold Village Handicapped Project
Debt Service:	El Centro Familiar
Series 1996B Reserve	
Series 1997 Reserve	
Refunding Series 1998 Reserve	

Budget amounts for Capital Projects Funds and certain Special Revenue Funds are individual project budgets authorized by the County Commission for the entire length of the project. The County Manager has administrative authority to make line item changes within a specific capital project without County Commission approval if the total change does not exceed 10 percent of the original budget. Once the County Commission has approved grant applications for projects, the County Manager is authorized to expend any funds awarded as a result of the grant application.

The County Manager is responsible for preparing the budget from requests submitted by division directors. The appropriated budget is prepared by line item within object class, program, department and fund; revenues expected to be available are estimated to provide for balanced budgeting. The comprehensive budget package is brought before the County Commissioners for approval by resolution. The proposed budget is then submitted by June 1 to the New Mexico Department of Finance and Administration Local Government Division (DFA) for approval. DFA certifies a pending budget by July 1 with final certification of the budget by the first Monday of September. The expenditure section of the budget, once adopted, is legally binding. Based on the final certified budget submitted, DFA certifies the allowable tax rates for property taxes in September.

Transfers of appropriations within a fund may be made with cognizant Deputy County Manager or elected official approval. Increases or decreases in the budget of a fund or transfers of appropriations between funds must be presented to the County Commission for approval by resolution and must subsequently have DFA approval. Amendments made to the original budget are included in the budgetary comparison statements of this report, which reflect actual to budget.

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Budgets and amendments to the budgets for all funds are adopted in a legally permissible manner. The legal level of budgetary control is the fund level. Expenditures may not legally exceed budgeted appropriations at the fund level except for the Emergency Medical Services and Fire District funds, whose legal level of budgetary authority is at the program or district level. All outstanding encumbrances must be rebudgeted in the next year’s budget. During the year, several supplementary appropriations were necessary.

Budgetary compliance – non GAAP financial statements

The County prepares its annual budget on a non-GAAP basis of accounting as described above. A reconciliation of the general fund center non-GAAP statement to the GAAP statement is as follows:

	<u>General Fund</u>
Net change in fund balance – GAAP basis	\$ (26,076,600)
(Increase) decrease in assets:	
Accounts receivable	(4,269,511)
Due from other funds	(1,522,590)
Accrued interest	1,876,021
Fair market value of investments	12,814,794
Increase (decrease) in liabilities:	
Accounts payable	(712,769)
Deferred revenue	273,148
Accrued payroll	(490,896)
Net changes in fund balance	<u>\$ (18,108,403)</u>

B. Deficit fund equity

There is an unrestricted deficit balance of \$613,630 in the El Centro Familiar Fund. The County expects that the pay down in the “advance from other funds” and a FY14 subsidy from the general fund will be sufficient to cover the deficit.

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IV. Detailed notes on all funds

A. Cash and investments

As of June 30, 2013, the County had the following investments.

Investment Type	Fair Value	Weighted Maturity Average (Months)	Percent of Total
Federal Farm Credit Agency	\$ 23,661,805	118.29	8.8%
Federal Home Loan Bank	120,680,889	124.90	45.0%
Federal Mortgage Acceptance Corp.	9,411,250	120.79	3.5%
Federal National Mortgage Assoc.	91,811,582	178.00	34.3%
Repurchase Agreements	16,681,279	153.83	6.2%
Certificate of Deposits	5,984,234	5.20	2.2%
Total fair value	\$ 268,231,039		100%
Portfolio weighted average maturity		141.47	

Interest Rate Risk. The County's investment policy does not limit investment maturities as a way of managing its exposure to fair value losses arising from increasing interest rates. Calls on U.S. Agencies securities are not included in the calculation of the weighted maturity average.

Credit Risk. The County's investments shall be in accordance with State Law, 6-10-10, and 6-10-10.1 NMSA 1978 in that credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The County invests in securities issued by the U.S. government or its agencies, money market funds consisting of U.S. government and/or U.S. government-sponsored agency securities, repurchase agreements, and municipal GRT Revenue Bonds.

As of June 30, 2013, the County's investments in U.S. Agencies with the Federal Farm Credit Agency, the Federal Home Loan Bank, the Federal Mortgage Acceptance Corporation, and the Federal National Mortgage Association were all rated AAA by Moody's Investors Service and AA+ by Standard & Poor's.

Concentration of Credit Risk. The Concentration of Risk is the risk of loss that may arise in the event of default by a single issuer. The County's investment policy places no limit on the amount the County may invest in any one issuer. The table above shows Bernalillo County's investment holdings by issuer and the percentage each issuer makes up of the total investments held by the County as of June 30, 2013.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will

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not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. GASB Statement No. 40 requires that the following disclosure be made in respect to custodial credit risks relating to deposits and investments: \$5,984,234 of Bernalillo County's deposits with financial institutions were held in collateralized accounts. All Customer Deposit Accounts met or exceeded the state collateralized requirements.

As of June 30, 2013, \$256,226 of the County's deposits was exposed to collateral risk. All other balances are not exposed to any custodial risk. \$256,226 with Southwest Capital Bank was uninsured. They are fully collateralized and the collateral is held in the County's name.

Additionally, as of June 30, 2013 those deposits along with the County's Federal Agency Securities were held by the safekeeping department of the Wells Fargo Trust. On September 30, 2012, KPMG LLP issued an unqualified opinion for the SSAE 16 requirement of Wells Fargo Trust Operations.

A reconciliation of cash and investments for the County follows:

Bank accounts	\$ 34,794,288
Petty cash on hand	1,623
Carrying amount of investments	268,231,039
Total cash and investments	<u>\$ 303,026,950</u>

Statement of Net Position

Primary Government	
Cash and investments	\$ 269,741,463
Cash-restricted	12,806,949
Statement of Fiduciary Assets and Liabilities	20,478,538
Total cash, investment	<u>\$ 303,026,950</u>

The County is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account (section 6-10-17 NMSA 1978). Some deposits are collateralized at higher levels based on the State of New Mexico Treasurer's office risk assessment as required by 2.60.4.9 NMAC. The pledged collateral is stated at market value as of June 30, 2013.

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Investment income. The County reported investment income(loss) of \$(7,191,138), which consists of the following components:

	General Fund	Construction Fund	Non major Governmental Funds	Total Government Funds
Realized investment:				
Income	\$ 5,653,328	\$ 356,995	\$ 879,299	\$ 6,889,622
Discount	591,449	-	-	591,449
Unrealized:				
Investment discount	37,678	-	-	37,678
Loss - investment accrual	(458,904)	(11,379)	(7,693)	(477,976)
Loss mark to market valuation:				
Current year	(12,814,794)	-	-	(12,814,794)
Prior year-reversed	(1,417,117)	-	-	(1,417,117)
Net investment Income(loss)	<u>\$ (8,408,360)</u>	<u>\$ 345,616</u>	<u>\$ 871,606</u>	<u>\$ (7,191,138)</u>

B. Receivables

	General Fund	Construction Fund	Non major Governmental Funds	Total Government Funds
Property taxes	\$ 10,381,766	\$ -	\$ 1,136,440	\$ 11,518,206
Gross Receipts Taxes	18,252,138	-	4,718,831	22,970,969
Gasoline Taxes	285,379	-	-	285,379
Motor Vehicle Tax	207,099	-	-	207,099
Transportation Fees	100,610	-	-	100,610
Special Assessments	81,860	-	-	81,860
Intergovernmental Due from other governments	417,775	-	-	417,775
	5,427,939	3,525,000	198,189	9,151,128
Other	345,512	-	1,850	347,362
Gross Receivables	<u>35,500,078</u>	<u>3,525,000</u>	<u>6,055,310</u>	<u>45,080,388</u>
Less: Allowance for Uncollectibles	(1,235,752)	-	(86,417)	(1,322,169)
Net total receivables	<u>\$ 34,264,326</u>	<u>\$ 3,525,000</u>	<u>\$ 5,968,893</u>	<u>\$ 43,758,219</u>

COUNTY OF BERNALILLO, NEW MEXICO
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	Enterprise Funds	Agency Funds
Property Taxes	\$ -	\$ 40,344,389
Solid Waste Fees	4,309,036	-
Special Assessments	-	54,218
Due from other governments	273,748	-
Other	38	3,735,782
Gross Receivables	<u>4,582,822</u>	<u>44,134,389</u>
Less: Allowance for uncollectibles	(2,825,524)	(2,819,730)
Net Total Receivables	<u>\$ 1,757,298</u>	<u>\$ 41,314,659</u>

The County maintains a receivable balance in the Solid Waste fund that consists of balances that are not expected to be collected within one year and which are deemed uncollectable. These balances become legally uncollectable when “any debt that is not enforceable in a judicial proceeding because the applicable state of limitation has run” out. 12.2.12.7(I) NMAC. The County may remove legally uncollectable debt that is four years old, and that is contractually 6 years old as permitted by NMSA 1978, § 3-37-7.

Note receivable

On April 27, 2004 the County Commission approved a \$200,000 loan to the Mid-Region Council of Governments (MRCOG) for renovations at the office building at 809 Copper Avenue NW which is owned by the County and leased to MRCOG under a lease purchase agreement. The money will be repaid over 15 years with interest at 3.9% and principal payments of \$1,470. The balance of this note was \$103,290 at June 30, 2013. The second note balance for \$69,340 with the Duran family is due in 30 years, with an interest rate of 6.5%. The total note receivable for June 30, 2013 is \$172,630.

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C. Capital assets

Capital asset activity for the year was as follows:

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 136,026,601	\$ 768,484	\$ (638,500)	\$ 136,156,585
Construction in progress	61,424,198	29,995,120	(45,882,861)	45,536,457
Art	2,534,675	17,730	-	2,552,405
Total capital assets, not being Depreciated	<u>199,985,474</u>	<u>30,781,334</u>	<u>(46,521,361)</u>	<u>184,245,447</u>
Capital assets, being depreciated:				
Buildings	310,265,895	25,270,152	(66,500)	335,469,547
Land improvements	8,862,572	7,802,540	-	16,665,112
Machinery and equipment	77,574,928	9,629,746	(3,416,739)	83,787,935
Infrastructure	289,086,309	16,993,348	-	306,079,657
Leasehold improvements	3,213,396	-	-	3,213,396
Total capital assets being Depreciated	<u>689,003,100</u>	<u>59,695,786</u>	<u>(3,483,239)</u>	<u>745,215,647</u>
Less Accumulated depreciation for:				
Buildings	(129,963,909)	(12,683,187)	53,643	(142,593,453)
Land improvements	(882,937)	(1,354,969)	-	(2,237,906)
Machinery and equipment	(57,784,145)	(7,560,456)	3,342,650	(62,001,951)
Infrastructure	(126,141,225)	(10,397,487)	-	(136,538,712)
Leasehold improvements	(1,326,350)	(128,536)	-	(1,454,886)
Total accumulated depreciation	<u>(316,098,566)</u>	<u>(32,124,635)</u>	<u>3,396,293</u>	<u>(344,826,908)</u>
Total capital assets, being depreciated, net	<u>372,904,534</u>	<u>27,571,151</u>	<u>(86,946)</u>	<u>400,388,739</u>
Governmental activities capital assets, net	<u>\$ 572,890,008</u>	<u>\$ 58,352,485</u>	<u>\$ (46,608,307)</u>	<u>\$ 584,634,186</u>

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	June 30, 2012	Increases	Decreases	June 30, 2013
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 435,352	\$ -	\$ -	\$ 435,352
Construction in progress	-	35,841	-	35,841
Total capital assets, not being depreciated	<u>435,352</u>	<u>35,841</u>	<u>-</u>	<u>471,193</u>
Capital assets, being depreciated:				
Land improvements	44,559	121,468	-	166,027
Buildings	6,385,659	134,551	-	6,520,210
Machinery and equipment	1,840,360	54,151	(248,732)	1,645,779
Total capital assets being depreciated	<u>8,270,578</u>	<u>310,170</u>	<u>(248,732)</u>	<u>8,332,016</u>
Less accumulated depreciation for:				
Land improvements	(9,283)	(5,468)	-	(14,751)
Buildings	(3,655,933)	(205,756)	-	(3,861,689)
Machinery and equipment	(1,746,628)	(33,881)	248,732	(1,531,777)
Total accumulated depreciation	<u>(5,411,844)</u>	<u>(245,105)</u>	<u>248,732</u>	<u>(5,408,217)</u>
Total capital assets, being depreciated, net	<u>2,858,734</u>	<u>65,065</u>	<u>-</u>	<u>2,923,799</u>
Business-type activities capital assets, net	<u>\$ 3,294,086</u>	<u>\$ 100,906</u>	<u>\$ -</u>	<u>\$ 3,394,992</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 5,122,760
Public safety	10,728,151
Culture and recreation	2,982,877
Public works	11,246,181
Health and welfare	2,044,666
Total depreciation expense-governmental activities	<u>\$ 32,124,635</u>
Business-type activities:	
Solid waste	\$ 34,401
Housing Authority	56,327
Seybold Village	49,082
El Centro Familiar	105,295
Total depreciation expense-business-type activities	<u>\$ 245,105</u>

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D. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2013, is as follows:

	Due To:			
	General Fund	Nonmajor Governmental Funds	Enterprise Funds	Total
<u>Due From:</u>				
Internal Service	\$ 735,851	\$ -	\$ -	\$ 735,851
Enterprise Funds	-	40,003	657,318	697,321
Total	<u>\$ 735,851</u>	<u>\$ 40,003</u>	<u>\$ 657,318</u>	<u>\$ 1,433,172</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1.) interfund goods and services are provided or reimbursable expenditures occur, 2.) transactions are recorded in the accounting system, and 3.) payments between funds are made. These balances, also include advances made to internal service funds that the general fund expects to collect in subsequent year.

Advances. For the purpose of financing cost-reimbursement grants, the general fund advanced the grants fund \$1,497,000 which is outstanding at June 30, 2013. The 2010B Debt Service Fund advanced the Housing Authority \$1,650,000 in FY10 which has an outstanding balance of \$1,470,000 at June 30, 2013.

During the year, the County makes various transfers of monies to fund debt service payments, capital projects, and to reimburse the General fund for cost incurred on behalf of other funds. Interfund transfers for the year ended June 30, 2013 were as follows:

	Transfer out:			
	General Fund	Construction Fund	Nonmajor Governmental Funds	Total
<u>Transfer in:</u>				
General Fund	\$ -	\$ -	\$ 307,190	\$ 307,190
Nonmajor funds	9,561,368	717,066	3,247,012	13,525,446
Enterprise	841,899	-	-	841,899
Total	<u>\$ 10,403,267</u>	<u>\$ 717,066</u>	<u>\$ 3,554,202</u>	<u>\$ 14,674,535</u>

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
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E. Leases

Operating Leases

During the fiscal year ended June 30, 2013, the County leased equipment, and office space under operating leases. The County's expenditures on those leases for the fiscal year ended June 30, 2013, were \$1,026,220. The County shares building expense on One Civic Plaza (City/County Building) on a year-to-year basis. A joint City/County annual operating budget for the building is established one month prior to the commencement of the fiscal year. The County's future minimum rental commitments is \$42,762 for the year ended 2014.

During the year, the County, as lessor, leased various office spaces at a cost of approximately \$2.73 million and a carrying amount of \$1.3 million under operating leases. Rental revenue was \$543,286 and depreciation expense on those assets was \$109,377.

F. Long-term debt

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Balance			Balance	Amounts
	June 30, 2012	Additions	Deletions	June 30, 2013	Due within
					One Year
Governmental Activities:					
Bonds:					
G.O. bonds	\$ 109,845,000	\$ 17,800,000	\$ (7,120,000)	\$ 120,525,000	\$ 9,005,000
Revenue bonds	142,985,000	-	(7,315,000)	135,670,000	8,005,000
Deferred amounts:					
Bond premiums	5,632,467	837,434	(553,035)	5,916,866	-
Bond discounts	(534,586)	-	43,631	(490,955)	-
Refunding	(844,336)	-	82,662	(761,674)	-
Total bonds	257,083,545	18,637,434	(14,861,742)	260,859,237	17,010,000
Other liabilities:					
Compensated absences	28,521,185	15,253,534	(12,876,085)	30,898,634	2,780,902
Governmental activity					
Long-term liabilities	<u>\$ 285,604,730</u>	<u>\$ 33,890,968</u>	<u>\$ (27,737,827)</u>	<u>\$ 291,757,871</u>	<u>\$ 19,790,902</u>

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

	Balance		Deletions	Amounts	
	June 30, 2012	Additions		Balance June 30, 2013	Due within One Year
Business-type Activities:					
Compensated absences	\$ 511,014	253,527	(399,888)	364,653	\$ 32,819

Compensated absences for governmental activities are generally liquidated by the general fund. General Obligation (GO) Bonds are direct obligations of the County for which its full faith and credit are pledged and are payable from taxes levied on property located within the County. The County issues GO bonds to provide funds for the acquisition and construction of major capital facilities, and purchase of library books. Debt related to non-capital library books is \$5,851,628 and debt related to unspent proceeds is \$26,676,273. The GO bonds outstanding as of June 30, 2013 are comprised of the following issues:

Issue	Amount	Interest Rate	Final Maturity
Series 1997	\$ 3,975,000	4.75%	December 1, 2017
Series 1999	8,670,000	4.50%	August 1, 2019
Series 2004	3,029,000	4.00%-4.40%	October 15, 2021
Series 2005	4,705,000	3.75%-4.00%	February 1, 2020
Series 2005A	4,446,000	4.25%-4.50%	February 1, 2025
Series 2006	7,770,000	4.00%-4.25%	February 1, 2027
Series 2007	10,400,000	5.00%	August 1, 2027
Series 2007A	8,400,000	4.00%-4.35%	August 1, 2027
Series 2009	6,300,000	3.00%-4.50%	June 1, 2019
Series 2009A	8,250,000	1.90%-3.60%	December 1, 2020
Partial Refunding Series 2010	12,750,000	2.50%-4.00%	February 1, 2022
Series 2011	3,650,000	3.00%-3.00%	February 1, 2019
Advance Refunding 2012	5,980,000	2.00%-4.00%	June 15, 2023
Series 2012A	14,400,000	3.00%-4.00%	June 15, 20132
Series 2013	17,800,000	2.00%-4.00%	August 15, 2028
Total	<u>\$ 120,525,000</u>		

COUNTY OF BERNALILLO, NEW MEXICO
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The annual debt service requirement to maturity for general obligation bonds is as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2014	\$ 9,005,000	\$ 4,347,240
2015	9,150,000	4,078,200
2016	9,445,000	3,741,531
2017	9,010,000	3,408,524
2018	9,376,000	3,063,730
2019-2023	41,359,000	10,012,541
2024-2028	25,950,000	3,590,071
2029-2032	7,230,000	451,608
	<u>\$ 120,525,000</u>	<u>\$ 32,693,445</u>

The Gross Receipts Tax Revenue Bonds are limited obligations of the County, payable solely from gross receipts tax revenues. The gross receipts tax revenue bonds outstanding as of June 30, 2013 are comprised of the following issues:

Issue	Amount	Interest Rate	Final Maturity
Series 1996B	\$ 45,555,000	5.00%-5.70%	April 1, 2027
Series 1997	5,800,000	5.25%-5.75%	October 1, 2017
Refunding Series 1998	37,835,000	5.125%-5.25%	April 1, 2027
Partial Refunding Series 2005	38,880,000	4.50%-5.25%	October 1, 2026
Series 2010A	6,130,000	2.50%-4.00%	June 15, 2019
Refunding Series 2010B	1,470,000	2.00%-4.5%	June 15, 2029
	<u>\$ 135,670,000</u>		

The annual debt service requirement to maturity for gross receipts tax revenue bonds is as follows:

Year Ending	Governmental Activities	
	Principal	Interest
2014	\$ 8,005,000	\$ 6,964,497
2015	7,730,000	6,594,960
2016	8,635,000	6,198,816
2017	9,165,000	5,762,773
2018	9,515,000	5,308,079
2019-2023	45,725,000	19,603,097
2024-2028	46,605,000	6,246,596
2029	290,000	11,963
	<u>\$ 135,670,000</u>	<u>\$ 56,690,781</u>

**COUNTY OF BERNALILLO, NEW MEXICO
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At June 30, 2013, the following general obligation bonds were authorized and unissued.

Approved by Voters on	Purpose	Authorized
November 6, 2012	Road Bonds	\$ 5,000,000
November 6, 2012	Storm Drain	2,500,000
November 6, 2012	Library Bonds – Books	800,000
November 6, 2012	Facilities Improvements – ADA	400,000
Total		<u>\$ 8,700,000</u>

Prior Refunding. In prior years, the County defeased certain general obligation and gross receipts tax revenue bonds by placing cash in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County’s financial statements. At June 30, 2013, \$3,020,000 of general obligation bonds outstanding is considered defeased.

G. Special assessment bonds

The County, acting as the agent for the property owners, issued Special Assessment District Improvement Bonds to finance street and road improvements. The bonds are payable from and secured by a pledge of district special assessments. For redemption purposes, the bonds are numbered consecutively. All or any part of the bonds are subject to redemption in numerical order at the option of the County on any interest payment date prior to maturity, at a price equal to the principal amount thereof plus accrued interest to the redemption. The bonds bear interest from their issue date and are paid semiannually thereafter until paid. The bonds are not a debt of the County, and the County did not pledge its full faith and credit for payment of the bonds. The payment of the bonds is not secured by any encumbrance, mortgage, or other pledge of property of the County except for district special assessments. No property of the County, subject to foregoing exception, shall be liable to be forfeited or taken in payment of the bonds.

The activities relating to the collection of special assessments and the payments on special assessment bonds are included in the agency fund accounts.

The following is a summary of Special Assessment Bonds payable as of June 30, 2013:

Improvement Bonds	Interest Rate	Date Issued	Date Series Matures	Amount of Original Issue	Bonds Outstanding June 30, 2013
Comanche Griegos BC-83-1B	6.25%	12/03	12/15/23	\$2,085,000	\$1,155,000

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At June 30, 2013, the Second Street, East Mountain, Paradise Hills, South Valley, and Heatherland Hills special assessment bonds had been fully paid. The remaining potential assets were as follows:

	Second Street BC-85-3	East Mountain BC-85-4	Paradise Hills BC-84-2	South Valley BC-84-1	Heatherland Hills BC-85-5
Accounts receivable:					
Billed, but uncollected	\$ 1,804	\$ 10,120	\$ 13,502	\$ 55,475	\$ 959

In accordance with State Statute Section 4-55A-28, NMSA, 1978 Compilation, the Board of County Commissioners may transfer to the general fund money obtained from the levy of an assessment for an improvement district if:

1. Bonds or assignable certificates were issued to finance the improvement; and
2. The funds obtained by the bonds or assignable certificates were spent for the improvement; and
3. The assessments were levied and collected for the payment of the bonds or assignable certificates; and
4. Either the bondholders or assignable certificate holders are barred by the statute of limitations or a court judgment or decree from collecting the indebtedness; or
5. The bonded indebtedness or assignable certificates have been paid.

H. Conduit debt

The County has acted from time to time as the issuer of conduit bonds, the proceeds of which have been immediately loaned to a private borrower. The County will require a complete analysis by an independent consultant at the expense of any and all applicants. The County signed its rights with respect to such bonds to various trustees that monitor amounts due and payable by the borrower pursuant to a lease, loan or other agreement. Neither the County, the State of New Mexico, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Industrial Revenue Bonds

In fiscal year 2013, the County issued three new Industrial Revenue Bonds. As of June 30, 2013, there were eighteen series of Industrial Revenue Bonds outstanding with an original issue amount of \$211,021,000. The remaining principal balance outstanding as of June 30, 2013 is \$103,920,168.

**COUNTY OF BERNALILLO, NEW MEXICO
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Multifamily Housing Revenue Bonds

From time to time, the County has issued Multifamily Housing Revenue Bonds to provide financial assistance to private sector entities for the acquisition, construction and rehabilitation of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State of New Mexico, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2013, there were eight series of project revenue bonds with an original issue amount of \$37,625,000. The remaining outstanding principal balance as of June 30, 2013 is \$29,599,543.

New Mexico Non-profit Corporation Project Revenue Bond

In fiscal year 2013, the County has two project revenue bonds; the YMCA of New Mexico Project and MRCOG Project with an total issue amount of \$6,385,449. The remaining principal balance as of June 30, 2013 is \$5,704,070.

I. Fund balance requirements

The New Mexico Department of Finance and Administration (DFA) requires that 3/12 of the FY14 budgeted expenditures in the general fund be restricted as subsequent-year expenditures to maintain an adequate cash flow until the next significant property tax collection. The DFA required reserve balance for FY13 is \$69,463,043. In addition, \$35,809,099 is classified as unassigned in the general fund to comply with the County's minimum fund balance policy of 2/12 of the prior year operating expenditures to be used for cash flow and emergency contingencies.

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

J. Fund balance purpose

The detail information for nonspendable, restricted, committed, assigned and unassigned fund balances are disclosed below:

	General	Construction Fund	Other Funds	Total Funds
Nonspendable				
Notes receivable	\$ 172,630	\$ -	\$ -	\$ 172,630
Advances to other funds	1,497,000	-	1,470,000	2,967,000
Inventory	746,250	-	9,953	756,203
Debt service - restricted	-	-	12,806,949	12,806,949
Restricted				
Reserve requirement	69,463,043	-	-	69,463,043
Grant match funds	30,511	-	-	30,511
Debt service	-	-	5,536,304	5,536,304
Road bonds	-	9,683,514	-	9,683,514
Public Safety:				
Bonds	-	5,653,931	-	5,653,931
Fire protection	-	-	525,244	525,244
Sheriffs	-	-	524,712	524,712
DSAP	-	-	714,694	714,694
Law enforcement	-	-	170,287	170,287
Healthcare	-	-	9,290,035	9,290,035
Environmental services	-	-	2,572,503	2,572,503
Infrastructure	-	4,871,056	5,084,643	9,955,699
Open space	-	-	2,789,076	2,789,076
Valuation	-	-	15,201,942	15,201,942
Housing services	-	-	916,448	916,448
Library	-	866,819	-	866,819
Parks bonds	-	2,297,355	-	2,297,355
Clerks - recording	-	-	706,680	706,680
Other purposes	-	2,657,264	618	2,657,882
Committed				
General county contingency	2,500,000	-	-	2,500,000
General salaries- term, vacant, current	4,857,084	-	-	4,857,084
MDC salaries - term, temporary staffing	4,859,521	-	-	4,859,521
MDC - electronic monitoring	2,454,250	-	-	2,454,250
McClendin case	3,736,987	-	-	3,736,987
MDC - miscellaneous	2,119,558	-	-	2,119,558
Regional detention center	3,544,740	-	-	3,544,740
Sheriffs Salaries - terms	2,287,158	-	-	2,287,158
Helicopter - metro air	338,841	-	-	338,841
Fleet replacement - general, sheriff	2,434,375	-	-	2,434,375
Heavy equipment - general, fire	3,075,000	-	-	3,075,000
Fire salaries - terms	285,291	-	-	285,291
Social services	834,818	-	-	834,818
Rio Grande pool	1,840,000	-	-	1,840,000
Information technology	1,041,098	-	-	1,041,098
Infrastructure/buildings	2,834,230	-	-	2,834,230
Housing	610,438	-	-	610,438
Primary election	1,360,721	-	-	1,360,721
PILT	760,304	-	-	760,304
LEDA/Special Events	500,000	-	-	500,000
Various projects	1,019,431	-	-	1,019,431

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	<u>General</u>	<u>Construction Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Assigned				
Subsequent years expenditures	16,952,826	-	-	16,952,826
DWI seizure	400,000	-	-	400,000
Helicopter - metro air	200,000	-	-	200,000
Sheriffs various	235,070	-	-	235,070
MDC projects	2,054,248	-	-	2,054,248
Public safety initiatives	693,815	-	-	693,815
MATS adolescent	236,465	-	-	236,465
Communications - CAD various	1,729,898	-	-	1,729,898
Zoning - ACCELA system	167,607	-	-	167,607
Information technology - various software	909,753	-	-	909,753
Economic development	393,458	-	-	393,458
Housing	115,278	-	-	115,278
Road	-	2,269,132	-	2,269,132
Storm drain	-	3,253,317	-	3,253,317
Water, wastewater projects	-	10,730,072	-	10,730,072
Trails	-	700,521	-	700,521
Arts	-	478,474	-	478,474
Library	500,000	-	-	500,000
Open space	1,893,000	-	-	1,893,000
Rio Grande pool	123,532	-	-	123,532
North Valley little league	500,000	-	-	500,000
MRCOG building	500,226	-	-	500,226
Building, Infrastructure	1,456,423	-	-	1,456,423
Other purposes	908,647	1,375,519	-	2,284,166
Unassigned				
Minimum fund balance policy	35,809,099	-	-	35,809,099
	<u>\$ 180,982,624</u>	<u>\$ 44,836,974</u>	<u>\$ 58,320,088</u>	<u>\$ 284,139,686</u>

K. Net position restricted by enabling legislation

The government-wide statement of net position reports \$133,136,883 of restricted net position, of which \$11,562,346 is restricted by enabling legislation.

L. Financial data schedule reconciliation

The Section 8 Housing-Voucher Special Revenue Fund was presented in the Financial Data Schedule (FDS) in accordance with generally accepted accounting standards as applied to governmental funds. The net position reconciles to the financial statements. The FDS equity balance was adjusted to include the effects of compensated absences that are not reflected in the governmental fund presentation as follows:

<u>Net Position</u>	<u>Amount</u>
Net Position - Housing Choice Vouchers 14.871	\$ 826,630
Compensated Absences	89,818
Fund balance - Section 8 Housing - Vouchers	<u>\$ 916,448</u>

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The Housing Authority Enterprise Fund was presented in two columns on the Financial Data Schedule (FDS) in accordance with generally accepted accounting standards as applied to enterprise funds. The net position reconciles to the financial statements. The FDS equity balance was adjusted to include the effects of compensated absences that are reflected in the business-type activities enterprise fund presentation as follows:

<u>Net Position</u>	<u>Amount</u>
Net Position – Central Office	\$ 3,223,760
Net Position – Home Rehabilitation	172,218
Net Position – Housing Authority	<u>3,395,978</u>
Compensated Absences	(89,818)
Fund balance – Housing Authority	<u>\$ 3,306,160</u>

Department of Substance Abuse Financial Data Schedule

The federal HUD grant associated with the Department of Substance Abuse is combined with other grants reported in the Grant Fund. The Financial Data Schedule, as required by HUD, is included and only reflects the Department of Substance Abuse grant program, and therefore there are no differences to reconcile.

V. Other information

A. 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 to employees, and natural disasters. The County joined with other county governments to form a Workers’ Compensation Pool in July 1987 and joined a Multi-line Pool in January 1989 and the Law Enforcement Pool in 1995. These public entity risk pools operate as a common risk management and insurance program for workers’ compensation, property and casualty, and law enforcement liability coverage. The County pays an annual premium to the pools for general insurance coverage. The Bernalillo County Risk Management Director is a voting member on the Workers’ Compensation Pool Board of Directors and the Deputy County Manager for Finance is a voting member on the Multi-line and Law Enforcement Pool Board of Directors.

The pools are authorized by joint powers agreements entered into by each county as a separate and independent governmental and legal entity pursuant to the provisions of NMSA 1978 Sections 11-1-1 et seq. The agreements for formation of the pools provide that the pools be self-sustaining through member premiums and reinsure through commercial companies for claims in excess of \$750,000 (workers’ compensation), \$500,000 (multi-line),

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and \$500,000 (law enforcement), for each insured event. The insurance pools are funded entirely by member premiums and are administered by the New Mexico County Insurance Authority.

The Workers' Compensation Pool provides workers' compensation coverage for every County employee. There are 31 counties in this pool, which for the fiscal years that ended June 30, 2013, 2012, and 2011 contributed a total of \$7,829,935, \$7,735,091, and \$7,678,065 respectively. The premium that each county pays depends upon the payroll total and the loss experience specific to that county. Bernalillo County has a self-insurance retention of \$400,000 (maximum amount paid for each insured event before using insurance) and \$1,750,000 annual aggregate limit, thus dramatically reducing Bernalillo County's annual pool contribution. For the fiscal years that ended June 30, 2013, 2012, and 2011, the County contributed \$698,081, \$664,839, and \$633,180 respectively. In addition to premiums, Bernalillo County maintains a reserve fund for each fiscal year to service open claims that are less than the self-insured retention limit.

The Multi-line Pool provides property and casualty coverage for 28 counties. The coverage includes buildings and contents, automobile physical damage and liability, general liability, personal injury, employee benefits liability, public officials' errors and omissions, crime, fuel storage tanks, and boiler and machine coverage. Premiums for the Multi-line Pool are paid for the calendar year. For calendar years 2013, 2012, and 2011, participating counties contributed a total of \$7,283,018, \$7,214,238, and \$7,080,611 respectively. For calendar years 2013, 2012, and 2011, Bernalillo County contributed \$1,612,612, \$1,671,288, and \$1,611,393, respectively. For each calendar year, a reserve fund is kept to pay deductibles for open multi-line claims.

The self-insured retention level for this pool is \$150,000 for property and \$250,000 for liability per occurrence (that is the maximum amount of coverage for each insured event before obtaining reinsurance). The pool has reinsurance coverage for losses above that amount from the County Reinsurance Limited, to a policy limit of \$2,000,000. Additionally, the pool has purchased another excess liability policy in the amount of \$3,000,000.

The Law Enforcement Pool provides coverage for law enforcement activities and liabilities, which includes the Sheriff's Department, the Metropolitan Detention Center, and the Youth Services Center. Currently, the pool provides coverage for 28 members. For calendar years 2013, 2012, and 2011, participating counties contributed a total of \$9,344,652, \$9,136,377, and \$8,999,962 respectively. For calendar years 2013, 2012, and 2011 Bernalillo County contributed \$2,623,006, \$2,384,550, and \$2,228,552 respectively. For each calendar year, a reserve fund is kept to pay deductibles for law enforcement liability claims.

The pooling agreements require the pools to be self-sustaining. The Pool Boards retain one year's budget in surplus prior to considering an equity distribution to the participating counties. The pools retain the risk of loss to be shared proportionately by pool participants. Bernalillo County does not retain the sole risk of losses incurred. For the fiscal years that

COUNTY OF BERNALILLO, NEW MEXICO
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ended June 30, 2013, 2012, and 2011 there were no payments in excess of the annual premium contributions for self-sustainment of the insurance pools.

The New Mexico County Insurance Authority has published its own financial report for the fiscal year ended June 30, 2013, which can be obtained from the New Mexico Association of Counties, 444 Galisteo St., Santa Fe, New Mexico 87501. (<http://www.nmcounties.org/>)

Bernalillo County carries commercial insurance for all other risks of loss not covered by pool insurance such as medical professional liability, law enforcement aviation operations, accident and sickness for sheriff reserve officers, cyber-liability, and a volunteer accident policy.

B. Construction and other significant commitments

Construction commitments. At June 30, 2013 the County is committed to \$27,831,000 under construction contracts for capital assets.

Litigation. The County is a defendant in a number of lawsuits, the significant majority of which are covered under the County's insurance policy through the New Mexico Association of Counties. The outcome of these lawsuits are not presently determinable and the County is not able to make an estimate for possible losses at this time. Insurance deductibles related to outstanding claims are \$10,000 per claim. Occasionally, the County or its elected officials are named as parties to suits that are not covered by any insurance policy and the County's Attorney's Office provides representation for such claims. At present there are two pending claims that are not covered by insurance. In one case involving a claim of irregularities in the 2012 General Election, there are no monetary damages being sought. In the other case, if damages are awarded by judgment or paid pursuant to settlement negotiations, the amount is not likely to exceed \$10,000.

Grant Compliance. The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantor. As of June 30, 2013, management estimates that no material liabilities will result from such audits.

County Medicaid 1/16 Gross Receipts Tax Equivalent. Under State Statute Section 27-10-4, NMSA 1978 Compilation, a county which does not enact an ordinance imposing a county health care gross receipts tax pursuant to State Statute Section 7-20E-18, NMSA 1978 Compilation is required to dedicate to the county-supported Medicaid fund "an amount equal to a gross receipts tax rate of 1/16 of one percent applied to the taxable gross receipts tax reported during the prior fiscal year by persons engaging in business in the county." To comply with the statute, the County imposed a 1/16 percent increase in gross receipts tax during the second half of FY07 and will continue to impose the tax in FY14 which will

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generate approximately \$10 million annually. The gross receipts are distributed to the State of New Mexico, Human Services Department.

Encumbrances. At year end the amount of significant encumbrances greater than \$300,000 which are expected to be honored upon performance by vendor in the next year were as follows:

General fund	\$ 3,551,720
Grants fund	2,582,624
Construction fund	7,526,474
Nonmajor governmental	802,147
Total	<u>\$ 14,462,965</u>

C. Joint ventures

Regional Juvenile Detention Center. Through a Joint Powers Agreement established between Bernalillo County and Sandoval County on June 26, 2007, Bernalillo County operates the Regional Juvenile Detention Facility (RJDC) located at the Bernalillo County Youth Services Center. Sandoval County contributes 100 percent of the operation costs of the RJDC. For FY13, Sandoval County paid \$1,062,223 million to Bernalillo County for the operation of the RJDC. Sandoval County receives 70% and Bernalillo County receives 30% of all cost of care revenues generated from housing juveniles in the RJDC from other counties and pueblos. The total cost of care revenues billed in FY13 was \$430,582 and \$430,002 of this amount has been received to date which includes \$1,527 for medical costs. Bernalillo County receives 100% of all medical costs billed under these cost of care agreements.

Torrance County/Bernalillo County Regional Landfill. The County and the Torrance County Solid Waste Authority (TCSWA) entered into a joint powers agreement on April 21, 1998 for the construction and operation of a regional landfill. The County contributed \$633,000 toward the initial costs of acquiring, constructing, designing, developing, and equipping the facility, which constitutes its total equity interest. The County's ownership interest is commensurate with the proportion of funds it provided. It is the intent of the parties to establish tipping fees in an amount sufficient to recover all of the operating costs of the landfill.

Upon termination of the agreement, assets and surplus funds will be distributed pro rata between the parties in accordance with their then existing ownership interests.

TCSWA will operate the facility and is designated as the fiscal agent. The financial report of the Torrance County/Bernalillo County Regional Landfill can be obtained from the Torrance County Solid Waste Authority, 515 Allen Street, Estancia, New Mexico 87016.

D. Post-Employment Benefits - Retiree Health Care Plan

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

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

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

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The employer, employee and retiree contributions are required to be remitted to RHCA on a monthly basis. The statutory requirements for the employer and the employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

**COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

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. 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) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary, and each participating employee was required to contribute 1.25% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Bernalillo County's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$2,281,109, \$2,072,085 and \$1,723,830, respectively, which equal the required contributions for each year.

E. Pension Plan – Public Employees Retirement Association

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

Funding Policy. Plan members are required to contribute 9.15-16.65% of their gross salary. The County is required to contribute 9.15-21.25% depending upon the plan of the gross covered salary. The contribution requirements of plan members and the County are established 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 years ending June 30, 2013, 2012, and 2011 were \$14,013,271, 14,013,271 and \$12,882,327, respectively, which equal the amount of the required contributions for each fiscal year. In accordance with Chapter 10, Article 11, Section 5 NMSA 1978, the County has elected to make contributions of seventy-five percent of its employees' member contributions under the General-management, blue collar, white collar, sheriff, fire and detention plans. The following table outlines the divisions the County participates in and the contributions for the year ending June 30, 2013.

**COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

Covered Division	<u>Employee</u>		<u>Employer</u>	
	Percent	Dollars	Percent	Dollars
General-management, blue collar and white collar	13.15%	\$6,882,581	9.15%	\$4,789,015
General-other	9.15	25,541	9.15	25,537
Sheriff	16.30	2,595,984	18.50	2,946,370
Fire	16.20	1,753,307	21.25	2,299,859
Detention	16.65	3,349,953	16.65	3,349,956
	Employee/Employer combined			
	Percent	Dollars		
Retired employees	9.15-21.25%	755,089		

F. Subsequent events

The results of the fiscal year 2013 audit identified material weaknesses within the County Treasurer’s Office. Due to these findings, the New Mexico Office of the State Auditor has designated Bernalillo County for a special audit related to the financial affairs and transactions of the County Treasurer’s Office. At the time of this audit report, the results of this special audit are unknown.



COUNTY OF BERNALILLO, NEW MEXICO

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The authority for the creation of the special revenue funds is by state statute, executive order, or specific authority.

Recreation. To account for recreational funds. Financing is provided by cigarette taxes. The fund was created by authority of state statute (see Section 7-12-15, NMSA 1978 Compilation). There was no activity in the fund and no current balances for the year and was not presented in the financials, the budget is presented to meet legal requirements.

Environmental Health. To account for the 1/8 cent gross receipts tax set aside for the purpose of financing environmental health concerns within the County of Bernalillo. The fund was created by authority of state statute (see Section 7-20E-17, NMSA 1978 Compilation).

Health Care Gross Receipts Tax. To account for the enactment of a 1/16th gross receipts tax in accordance with state statute (7-20E-18, NMSA 1978). This legislation allows the County to implement and dedicate up to 2/16% gross receipts tax for health care related costs.

Valuation. To account for fees collected from “revenue recipients” pursuant to Section 7-38-38.1, NMSA 1978 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.

Fire Districts No. 1 through 11 and 13. To account for the operations and maintenance (excluding salaries and benefits) of the 11 fire districts. Funding is provided by allotments from the New Mexico State Fire Marshal’s Office. The funds were created under the authority of state statute (see Section 59A-53-5, NMSA 1978 Compilation).

Emergency Medical Services. To account for grants from the State of New Mexico Department of Health to be utilized for equipment, supplies, and training for emergency medical service purposes. This fund was created by the authority of state statute (see Section 24-10A-6, NMSA 1978 Compilation).

Sheriff’s Investigative Fund. To account for monies received from the sale of evidence, unclaimed cash, seizures, and forfeitures and expenditures of such for law enforcement purposes. The fund was created by authority of state statute Controlled Substances Act 30-31-35 NMSA 1978.

Law Enforcement Protection. To account for a state grant restricted to equipment purchases and training programs to enhance law enforcement effectiveness. The fund was created under the authority of state statute (see Section 29-13-4, NMSA 1978 Compilation).

Farm and Range. To account for soil conservation, predator control, and secondary road activities within the County. Financing is provided by the Taylor Grazing Act. Expenditures may be made only for the purposes specified in the grant. The fund was created by authority of state statute (see Section 6-11-6, NMSA 1978 Compilation).

COUNTY OF BERNALILLO, NEW MEXICO

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

County Indigent. To account for the 1/8 of one percent portion of the county gross receipts tax adopted through County Ordinance 86-17, expenditure of which is restricted to indigent care. An agreement was signed with several providers for the provision of health and dental services to indigent patients. The fund was created by authority of state statute (see Section 7-20E-9, NMSA 1978 Compilation).

Clerk's Recording & Filing. To account for fees authorized to Class A counties to charge up to an additional \$2.00 per document as an equipment recording fee. The fees collected may only be used for the purchase of equipment associated with the recording, filing, maintaining, or reproducing of documents in the Office of the County Clerk. This fund was created by authority of state statute (see Section 14-8-12.2, NMSA 1978 Compilation).

Section 8 Housing Vouchers Fund. To account for Department of Housing and Urban Development (HUD) Section 8 existing housing and vouchers programs including housing assistance payments. The funds were created to account for grant activity under HUD contract, ACC Part I, Number FW-5325.

Department of Substance Abuse. To account for liquor excise tax revenue received from the state for DWI services and programs in accordance with Section 11-6A-3, NMSA 1978 Compilation. Grant funding from the state transportation department and other sources for the provision of substance abuse related services also is included in this fund.

COUNTY OF BERNALILLO, NEW MEXICO

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

General Obligation. To account for the accumulation of resources and payment of general obligation bond principal and interest from County resources.

Revenue Bonds. To account for the accumulation of resources and payment of revenue bond principal and interest from pledged County gross receipts tax revenues for the following bond issues:

- Series 1996B – Public Buildings
- Series 1997 – Public Facilities
- Refunding Series 1998 – Courthouse
- Refunding Series 2005 – Public Facilities
- Series 2008A– Public Buildings
- Refunding Series 2010A – Public Facilities
- Refunding Series 2010B – Public Buildings

Revenue Bond Reserves. To account for debt service reserves established pursuant to the bond ordinance for the following bond issues:

- Series 1996B – Public Buildings
- Series 1997 – Public Facilities
- Refunding Series 1998 – Courthouse
- Refunding Series 2010A – Public Facilities
- Refunding Series 2010B – Public Facilities

CAPITAL PROJECTS FUNDS

Impact Fees. To account for the fees received from developers that are restricted for use in infrastructure improvements in the service area from which the fees were collected. This fund was created by authority of Bernalillo County Ordinance 95-16.

Open Space. To account for the financing and acquisition of open space. Financing is provided by a six-year .25 property tax mill levy by County voters on November 30, 2000.



**COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2013**

Special Revenue

	Environmental Health	Health Care GRT	Valuation	Fire Districts	Emergency Medical Services	Sheriff's Investigative Fund
ASSETS						
Cash and investments	\$ 2,070,266	\$ 9,416,841	\$ 15,325,627	\$ 721,836	\$ 14,340	\$ 518,993
Accounts receivable, net	666,650	2,049,858	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-
Cash-restricted	-	-	-	-	-	-
Inventory	-	-	-	9,953	-	-
Advances to other funds	-	-	-	-	-	-
Total assets	\$ 2,736,916	\$ 11,466,699	\$ 15,325,627	\$ 731,789	\$ 14,340	\$ 518,993
LIABILITIES						
Accounts payable	\$ 110,331	\$ 2,253,551	\$ 57,809	\$ 196,592	\$ 8,621	\$ -
Accrued payroll	-	9,103	65,876	-	-	-
Unearned revenue	54,082	214,202	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	164,413	2,476,856	123,685	196,592	8,621	-
FUND BALANCES						
Advances to other funds	-	-	-	-	-	-
Nonspendable	-	-	-	9,953	-	-
Restricted	2,572,503	8,989,843	15,201,942	525,244	5,719	518,993
Total fund balances (deficit)	2,572,503	8,989,843	15,201,942	535,197	5,719	518,993
Total liabilities and fund balances	\$ 2,736,916	\$ 11,466,699	\$ 15,325,627	\$ 731,789	\$ 14,340	\$ 518,993

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2013

Special Revenue

	Law Enforcement Protection	Farm and Range	County Indigent	Clerk's Recording & Filing	Section 8 Housing- Voucher	Department of Substance Abuse	Special Revenue Total
ASSETS							
Cash and investments	\$ 179,939	\$ 618	\$ 205,239	\$ 763,983	\$ 1,458,031	\$ 557,122	\$ 31,232,835
Accounts receivable, net	-	-	2,002,323	-	13,419	184,770	4,917,020
Accrued interest receivable	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from grantor	-	-	-	-	-	-	-
Cash-restricted	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	9,953
Advances to other funds	-	-	-	-	-	-	-
Total assets	\$ 179,939	\$ 618	\$2,207,562	\$ 763,983	\$ 1,471,450	\$ 741,892	\$ 36,159,808
LIABILITIES							
Accounts payable	\$ 9,652	\$ -	\$1,907,370	\$ 57,303	\$ 376,074	\$ 24,244	\$ 5,001,547
Accrued payroll	-	-	-	-	35,794	2,954	113,727
Unearned revenue	-	-	-	-	103,131	-	371,415
Due to other funds	-	-	-	-	40,003	-	40,003
Total liabilities	9,652	-	1,907,370	57,303	555,002	27,198	5,526,692
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	9,953
Restricted	170,287	618	300,192	706,680	916,448	714,694	30,623,163
Total fund balances (deficit)	170,287	618	300,192	706,680	916,448	714,694	30,633,116
Total liabilities and fund balances	\$ 179,939	\$ 618	\$2,207,562	\$ 763,983	\$ 1,471,450	\$ 741,892	\$ 36,159,808

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2013

	Debt Service								
	General Obligation Bond Debt Service	Series 1996B Debt Service	Series 1996B Reserve	Series 1997 Debt Service	Series 1997 Reserve	Refunding Series 1998 Debt Service	Refunding Series 1998 Reserve	Refunding Series 2005 Debt Service	Series 2008A Debt Service
ASSETS									
Cash and investments	\$ 4,744,360	\$ 37,035	\$ -	\$ 1,201	\$ -	\$ 14,414	\$ -	\$ 9,242	\$ 799
Accounts receivable, net	978,127	-	-	-	-	-	-	-	-
Accrued interest receivable	14,381	83,028	-	22,230	-	68,923	-	23	-
Cash-restricted	-	-	5,438,448	-	1,693,500	-	4,615,582	-	-
Inventory	-	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 5,736,868</u>	<u>\$ 120,063</u>	<u>\$ 5,438,448</u>	<u>\$ 23,431</u>	<u>\$ 1,693,500</u>	<u>\$ 83,337</u>	<u>\$ 4,615,582</u>	<u>\$ 9,265</u>	<u>\$ 799</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Unearned revenue	852,406	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	<u>852,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Nonspendable	-	-	5,438,448	-	1,693,500	-	4,615,582	-	-
Restricted	4,884,462	120,063	-	23,431	-	83,337	-	9,265	799
Total fund balances (deficit)	<u>4,884,462</u>	<u>120,063</u>	<u>5,438,448</u>	<u>23,431</u>	<u>1,693,500</u>	<u>83,337</u>	<u>4,615,582</u>	<u>9,265</u>	<u>799</u>
Total liabilities and fund balances	<u>\$ 5,736,868</u>	<u>\$ 120,063</u>	<u>\$ 5,438,448</u>	<u>\$ 23,431</u>	<u>\$ 1,693,500</u>	<u>\$ 83,337</u>	<u>\$ 4,615,582</u>	<u>\$ 9,265</u>	<u>\$ 799</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2013

	Debt Service				Capital Projects			Total Nonmajor Governmental Funds	
	Refunding Series 2010A Service	Refunding Series 2010A Reserve	Refunding Series 2010B Debt Service	Refunding Series 2010B Debt Reserve	Debt Service Total	Impact Fees	Open Space		Capital Projects Total
ASSETS									
Cash and investments	\$ 410,970	\$ -	\$ 331	\$ -	\$ 5,218,352	\$ 5,082,179	\$ 2,887,695	\$ 7,969,874	\$ 44,421,061
Accounts receivable, net	-	-	-	-	978,127	-	73,746	73,746	5,968,893
Accrued interest receivable	3,250	-	396	-	192,231	12,549	-	12,549	204,780
Notes receivable	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Due from grantor	-	-	-	-	-	-	-	-	-
Cash-restricted	-	\$ 900,000	-	\$ 159,419	12,806,949	-	-	-	12,806,949
Inventory	-	-	-	-	-	-	-	-	9,953
Advances to other funds	-	-	1,470,000	-	1,470,000	-	-	-	1,470,000
Total assets	\$ 414,220	\$ 900,000	\$ 1,470,727	\$ 159,419	\$ 20,665,659	\$ 5,094,728	\$ 2,961,441	\$ 8,056,169	\$ 64,881,636
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,085	\$ 89,711	\$ 99,796	\$ 5,101,343
Accrued payroll	-	-	-	-	-	-	15,423	15,423	129,150
Unearned revenue	-	-	-	-	852,406	-	67,231	67,231	1,291,052
Due to other funds	-	-	-	-	-	-	-	-	40,003
Total liabilities	-	-	-	-	852,406	10,085	172,365	182,450	6,561,548
FUND BALANCES									
Nonspendable	-	900,000	1,470,000	159,419	14,276,949	-	-	-	14,286,902
Restricted	414,220	-	727	-	5,536,304	5,084,643	2,789,076	7,873,719	44,033,186
Total fund balances (deficit)	414,220	900,000	1,470,727	159,419	19,813,253	5,084,643	2,789,076	7,873,719	58,320,088
Total liabilities and fund balances	\$ 414,220	\$ 900,000	\$ 1,470,727	\$ 159,419	\$ 20,665,659	\$ 5,094,728	\$ 2,961,441	\$ 8,056,169	\$ 64,881,636

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

	<u>Special Revenue</u>					
	<u>Environmental Health</u>	<u>Health Care GRT</u>	<u>Valuation</u>	<u>Fire Districts</u>	<u>Emergency Medical Services</u>	<u>Sheriff's Investigative Fund</u>
REVENUES						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	2,551,835	10,140,666	-	-	-	-
Intergovernmental:						
Federal	-	-	-	-	-	491,418
State	-	-	-	1,272,937	174,700	1,477
Other	-	-	-	-	-	-
Fees for services	-	-	5,569,977	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>2,551,835</u>	<u>10,140,666</u>	<u>5,569,977</u>	<u>1,272,937</u>	<u>174,700</u>	<u>492,895</u>
EXPENDITURES						
Current:						
General government	-	-	3,007,997	-	-	-
Public works	-	-	-	-	-	-
Public safety	-	2,088	-	881,127	157,273	311,325
Health and welfare	557,172	14,900,415	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	308,495	2,206,949	-	186,365	-	197,779
Intergovernmental - capital outlay	582,868	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>1,448,535</u>	<u>17,109,452</u>	<u>3,007,997</u>	<u>1,067,492</u>	<u>157,273</u>	<u>509,104</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,103,300</u>	<u>(6,968,786)</u>	<u>2,561,980</u>	<u>205,445</u>	<u>17,427</u>	<u>(16,209)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(1,727,431)	(1,193,225)	(326,356)	-	-	-
Sale of capital assets	-	-	-	37,740	-	-
Total other financing sources (uses)	<u>(1,727,431)</u>	<u>(1,193,225)</u>	<u>(326,356)</u>	<u>37,740</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(624,131)	(8,162,011)	2,235,624	243,185	17,427	(16,209)
Fund balances (deficit) - beginning	3,196,634	17,151,854	12,966,318	292,012	(11,708)	535,202
Fund balances (deficit) - ending	<u>\$ 2,572,503</u>	<u>\$ 8,989,843</u>	<u>\$ 15,201,942</u>	<u>\$ 535,197</u>	<u>\$ 5,719</u>	<u>\$ 518,993</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

Special Revenue							
	Law Enforcement Protection	Farm and Range	County Indigent	Clerk's Recording & Filing	Section 8 Housing- Voucher	Department of Substance Abuse	Special Revenue Total
REVENUES							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	-	-	11,140,666	-	-	-	23,833,167
Intergovernmental:							
Federal	-	175	-	-	11,620,682	-	12,112,275
State	212,400	-	-	-	-	-	1,661,514
Other	-	-	-	-	-	250,000	250,000
Fees for services	33,265	-	-	924,683	311,416	-	6,839,341
Investment income	-	-	-	-	9	-	9
Miscellaneous	-	-	-	-	69,007	464,655	533,662
Total revenues	<u>245,665</u>	<u>175</u>	<u>11,140,666</u>	<u>924,683</u>	<u>12,001,114</u>	<u>714,655</u>	<u>45,229,968</u>
EXPENDITURES							
Current:							
General government	-	-	-	749,130	-	-	3,757,127
Public works	-	-	-	-	-	-	-
Public safety	238,876	-	-	-	-	462,088	2,052,777
Health and welfare	-	-	11,085,189	-	13,214,570	-	39,757,346
Culture and recreation	-	-	-	-	-	-	-
Capital outlay	8,200	-	-	8,135	-	-	2,915,923
Intergovernmental - capital outlay	-	-	-	-	-	-	582,868
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	<u>247,076</u>	<u>-</u>	<u>11,085,189</u>	<u>757,265</u>	<u>13,214,570</u>	<u>462,088</u>	<u>49,066,041</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,411)</u>	<u>175</u>	<u>55,477</u>	<u>167,418</u>	<u>(1,213,456)</u>	<u>252,567</u>	<u>(3,836,073)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	136,719	-	-	-	55,101	-	191,820
Transfers out	-	-	-	-	-	-	(3,247,012)
Sale of capital assets	-	-	-	-	-	-	37,740
Total other financing sources (uses)	<u>136,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,101</u>	<u>-</u>	<u>(3,017,452)</u>
Net changes in fund balances	135,308	175	55,477	167,418	(1,158,355)	252,567	(6,853,525)
Fund balances (deficit) - beginning	34,979	443	244,715	539,262	2,074,803	462,127	37,486,641
Fund balances (deficit)- ending	<u>\$ 170,287</u>	<u>\$ 618</u>	<u>\$ 300,192</u>	<u>\$ 706,680</u>	<u>\$ 916,448</u>	<u>\$ 714,694</u>	<u>\$ 30,633,116</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

	Debt Service								
	General Obligation Bond Debt Service	Series 1996B Debt Service	Series 1996B Reserve	Series 1997 Debt Service	Series 1997 Reserve	Refunding Series 1998 Debt Service	Refunding Series 1998 Reserve	Refunding Series 2005 Debt Service	Series 2008A Debt Service
REVENUES									
Taxes:									
Property	\$ 12,732,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-	-	-	-	-	-
Intergovernmental:									
Federal	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Fees for services	-	-	-	-	-	-	-	-	-
Investment income	57,739	335,380	-	90,545	-	277,238	-	1,696	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	<u>12,790,108</u>	<u>335,380</u>	<u>-</u>	<u>90,545</u>	<u>-</u>	<u>277,238</u>	<u>-</u>	<u>1,696</u>	<u>-</u>
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Intergovernmental - capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	7,120,000	2,215,000	-	1,000,000	-	1,665,000	-	1,400,000	-
Interest	4,138,309	2,564,077	-	359,750	-	2,057,476	-	2,054,863	-
Total expenditures	<u>11,258,309</u>	<u>4,779,077</u>	<u>-</u>	<u>1,359,750</u>	<u>-</u>	<u>3,722,476</u>	<u>-</u>	<u>3,454,863</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,531,799</u>	<u>(4,443,697)</u>	<u>-</u>	<u>(1,269,205)</u>	<u>-</u>	<u>(3,445,238)</u>	<u>-</u>	<u>(3,453,167)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	717,066	3,527,832	-	817,686	-	3,012,876	-	3,005,522	-
Transfers out	-	-	-	-	-	-	-	-	(187,661)
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>717,066</u>	<u>3,527,832</u>	<u>-</u>	<u>817,686</u>	<u>-</u>	<u>3,012,876</u>	<u>-</u>	<u>3,005,522</u>	<u>(187,661)</u>
Net changes in fund balances	2,248,865	(915,865)	-	(451,519)	-	(432,362)	-	(447,645)	(187,661)
Fund balances (deficit) - beginning	2,635,597	1,035,928	5,438,448	474,950	1,693,500	515,699	4,615,582	456,910	188,460
Fund balances (deficit) - ending	<u>\$ 4,884,462</u>	<u>\$ 120,063</u>	<u>\$ 5,438,448</u>	<u>\$ 23,431</u>	<u>\$ 1,693,500</u>	<u>\$ 83,337</u>	<u>\$ 4,615,582</u>	<u>\$ 9,265</u>	<u>\$ 799</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

	Debt Service					Capital Projects			Total Nonmajor Governmental Funds	
	Refunding Series 2010A Debt Service	Refunding Series 2010A Debt Reserve	Refunding Series 2010B Debt Service	Refunding Series 2010B Debt Reserve	TRAN Debt Service	Debt Service Total	Impact Fees	Open Space		Capital Projects Total
REVENUES										
Taxes:										
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,732,369	\$ -	\$ 40,664	\$ 40,664	\$ 12,773,033
Sales	-	-	-	-	-	-	-	-	-	23,833,167
Intergovernmental:										
Federal	-	-	-	-	-	-	-	-	-	12,112,275
State	-	-	-	-	-	-	-	-	-	1,661,514
Other	-	-	-	-	-	-	-	-	-	250,000
Fees for services	-	-	-	-	-	-	458,080	-	458,080	7,297,421
Investment income	12,105	-	727	-	-	775,430	96,167	-	96,167	871,606
Miscellaneous	-	-	56,638	-	-	56,638	-	22,760	22,760	613,060
Total revenues	<u>12,105</u>	<u>-</u>	<u>57,365</u>	<u>-</u>	<u>-</u>	<u>13,564,437</u>	<u>554,247</u>	<u>63,424</u>	<u>617,671</u>	<u>59,412,076</u>
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	-	3,757,127
Public works	-	-	-	-	-	-	25,000	385,110	410,110	410,110
Public safety	-	-	-	-	-	-	-	-	-	2,052,777
Health and welfare	-	-	-	-	-	-	-	-	-	39,757,346
Culture and recreation	-	-	-	-	-	-	-	473,568	473,568	473,568
Capital outlay	-	-	-	-	-	-	82,140	661,767	743,907	3,659,830
Intergovernmental - capital outlay	-	-	-	-	-	-	-	1,500,000	1,500,000	2,082,868
Debt service:										
Principal	975,000	-	60,000	-	-	14,435,000	-	-	-	14,435,000
Interest	218,225	-	56,638	-	-	11,449,338	-	-	-	11,449,338
Total expenditures	<u>1,193,225</u>	<u>-</u>	<u>116,638</u>	<u>-</u>	<u>-</u>	<u>25,884,338</u>	<u>107,140</u>	<u>3,020,445</u>	<u>3,127,585</u>	<u>78,077,964</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,181,120)</u>	<u>-</u>	<u>(59,273)</u>	<u>-</u>	<u>-</u>	<u>(12,319,901)</u>	<u>447,107</u>	<u>(2,957,021)</u>	<u>(2,509,914)</u>	<u>(18,665,888)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	1,193,225	900,000	-	159,419	-	13,333,626	-	-	-	13,525,446
Transfers out	-	-	-	-	(119,529)	(307,190)	-	-	-	(3,554,202)
Sale of capital assets	-	-	-	-	-	-	-	-	-	37,740
Total other financing sources (uses)	<u>1,193,225</u>	<u>900,000</u>	<u>-</u>	<u>159,419</u>	<u>(119,529)</u>	<u>13,026,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,008,984</u>
Net changes in fund balances	12,105	900,000	(59,273)	159,419	(119,529)	706,535	447,107	(2,957,021)	(2,509,914)	(8,656,904)
Fund balances (deficit) - beginning	402,115	-	1,530,000	-	119,529	19,106,718	4,637,536	5,746,097	10,383,633	66,976,992
Fund balances (deficit) - ending	<u>\$ 414,220</u>	<u>\$ 900,000</u>	<u>\$ 1,470,727</u>	<u>\$ 159,419</u>	<u>\$ -</u>	<u>\$ 19,813,253</u>	<u>\$ 5,084,643</u>	<u>\$ 2,789,076</u>	<u>\$ 7,873,719</u>	<u>\$ 58,320,088</u>

The notes to the financial statements are an integral part of this statement.

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
RECREATION
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Prior year cash balance budget	\$ 5,647	\$ 5,647		
Total budget	<u>5,647</u>	<u>5,647</u>		
Expenditures:				
Culture and recreation:				
Parks and recreation	<u>5,647</u>	<u>5,647</u>	\$ 5,647	<u>-</u>
Deficiency of revenues over expenditures			<u>\$ (5,647)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (5,647)	
(Increase) decrease in liabilities:				
Accounts payable			<u>5,647</u>	
Net changes in fund balance - GAAP basis			<u>\$ -</u>	

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
ENVIRONMENTAL HEALTH
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 2,850,000	\$ 2,850,000	<u>\$ 2,343,354</u>	<u>\$ (506,646)</u>
Prior year cash balance budget	<u>2,645,134</u>	<u>2,645,134</u>		
Total budget	<u>5,495,134</u>	<u>5,495,134</u>		
Expenditures:				
Health and welfare:				
Solid waste	296,089	322,270	246,090	76,180
Planning and geo resources	727,740	550,200	252,757	297,443
Zoning, building and environmental	1,998,616	1,415,748	48,229	1,367,519
Capital outlay	108,379	1,130,397	308,416	821,981
Capital outlay for others	<u>636,879</u>	<u>349,088</u>	<u>582,868</u>	<u>(233,780)</u>
Total expenditures	<u>3,767,703</u>	<u>3,767,703</u>	<u>1,438,360</u>	<u>2,329,343</u>
Other financing uses:				
Transfers out	<u>1,727,431</u>	<u>1,727,431</u>	<u>1,727,431</u>	<u>-</u>
Total expenditures and other financing uses	<u>5,495,134</u>	<u>5,495,134</u>	<u>3,165,791</u>	<u>2,329,343</u>
Deficiency of revenues over expenditures and other financing uses			<u><u>\$ (822,437)</u></u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (822,437)	
Increase (decrease) in assets:				
Accounts receivable			190,046	
(Increase) decrease in liabilities:				
Accounts payable			(10,174)	
Deferred revenue			<u>18,434</u>	
Net changes in fund balance - GAAP basis			<u><u>\$ (624,131)</u></u>	

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
1/16 HEALTH CARE GRT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES BUDGET AND ACTUAL
Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 9,750,000	\$ 9,750,000	<u>\$ 10,004,219</u>	<u>\$ 254,219</u>
Prior year cash balance budget	<u>15,143,569</u>	<u>15,143,569</u>		
Total budget	<u>24,893,569</u>	<u>24,893,569</u>		
Expenditures:				
Health and welfare:				
Operating expenses	20,545,821	20,545,821	13,795,740	6,750,081
Public safety:				
Operating expenses	17,062	17,062	8,632	8,430
Capital outlay	<u>3,137,461</u>	<u>3,137,461</u>	<u>2,201,424</u>	<u>936,037</u>
	<u>23,700,344</u>	<u>23,700,344</u>	<u>16,005,796</u>	<u>7,694,548</u>
Other financing uses				
Operating transfers out	<u>1,193,225</u>	<u>1,193,225</u>	<u>1,193,225</u>	<u>-</u>
Total expenditures and other financing uses	<u>24,893,569</u>	<u>24,893,569</u>	<u>17,199,021</u>	<u>7,694,548</u>
Deficiency of revenues over expenditures and other financing uses			<u>\$ (7,194,802)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (7,194,802)	
Increase (decrease) in assets:				
Accounts receivable			91,472	
(Increase) decrease in liabilities:				
Accounts payable			(1,110,223)	
Deferred revenue			44,976	
Accrued payroll			<u>6,566</u>	
Net changes in fund balance - GAAP basis			<u>\$ (8,162,011)</u>	

COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
VALUATION
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees for services	\$ 5,100,000	\$ 5,100,000	\$ 5,569,977	\$ 469,977
Prior year cash balance budget	370,969	370,969		
Total budget	<u>5,470,969</u>	<u>5,470,969</u>		
Expenditures:				
General government:				
Operating expenditures	5,111,613	5,111,613	3,139,630	1,971,983
Capital outlay	33,000	33,000	-	33,000
Total expenditures	<u>5,144,613</u>	<u>5,144,613</u>	<u>3,139,630</u>	<u>2,004,983</u>
Other financing uses:				
Transfers out	<u>326,356</u>	<u>326,356</u>	<u>326,356</u>	-
Total expenditures and other financing uses	<u>5,470,969</u>	<u>5,470,969</u>	<u>3,465,986</u>	<u>2,004,983</u>
Excess of revenues over expenditures and other financing uses			<u>\$ 2,103,991</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 2,103,991	
(Increase) decrease in liabilities:				
Accounts payable			128,820	
Accrued payroll			<u>2,813</u>	
Net changes in fund balance - GAAP basis			<u>\$ 2,235,624</u>	

COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental:				
Fire District #1	\$ 61,667	\$ 61,667	\$ 80,365	\$ 18,698
Fire District #2	84,279	84,279	110,980	26,701
Fire District #3	61,667	61,667	80,365	18,698
Fire District #4	61,667	61,667	80,365	18,698
Fire District #5	84,279	84,279	80,365	(3,914)
Fire District #6	106,891	106,891	141,595	34,704
Fire District #7	61,667	61,667	50,880	(10,787)
Fire District #8	84,279	84,279	110,980	26,701
Fire District #9	61,667	61,667	80,365	18,698
Fire District #10	61,667	61,667	80,365	18,698
Fire District #11	84,279	84,279	110,980	26,701
Fire District #12	70,000	70,000	104,602	34,602
Fire District #13	61,667	61,667	80,365	18,698
Fire administration	61,667	61,667	80,365	18,698
Total revenues	<u>1,007,343</u>	<u>1,007,343</u>	<u>1,272,937</u>	<u>265,594</u>
Other financing sources	-	-	-	-
Sale of capital assets	-	-	37,740	37,740
Total revenues and other financing sources	<u>-</u>	<u>-</u>	<u>37,740</u>	<u>37,740</u>
Total revenues	<u>1,007,343</u>	<u>1,007,343</u>	<u>1,310,677</u>	<u>303,334</u>
Prior year cash balance budget	<u>687,187</u>	<u>687,187</u>		
Total budget	<u>1,694,530</u>	<u>1,694,530</u>		
Expenditures:				
Public safety:				
Fire District #1	64,488	64,488	54,861	9,627
Fire District #2	188,538	188,538	78,048	110,490
Fire District #3	63,858	63,858	47,273	16,585
Fire District #4	27,719	27,719	22,930	4,789
Fire District #5	100,270	100,270	101,870	(1,600)
Fire District #6	54,745	54,745	52,649	2,096
Fire District #7	100,708	100,708	79,850	20,858
Fire District #8	121,192	121,192	128,005	(6,813)
Fire District #9	60,152	60,152	44,871	15,281
Fire District #10	120,838	120,838	95,467	25,371
Fire District #11	83,058	83,058	62,043	21,015
Fire District #12	203,334	203,334	52,776	150,558
Fire District #13	31,649	31,649	16,456	15,193
Fire administration	84,018	84,018	73,392	10,626
Capital Outlay	<u>389,963</u>	<u>389,963</u>	<u>186,365</u>	<u>203,598</u>
Total expenditures	<u>1,694,530</u>	<u>1,694,530</u>	<u>1,096,856</u>	<u>597,674</u>
Excess of revenues and other financing sources over expenditures			<u>\$ 213,821</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 213,821	
(Increase) decrease in liabilities:				
Accounts payable			<u>29,364</u>	
Net changes in fund balance - GAAP basis			<u>\$ 243,185</u>	

COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
EMERGENCY MEDICAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 174,700	\$ 174,700	<u>\$ 174,700</u>	<u>\$ -</u>
Prior year cash balance budgeted	<u>13,482</u>	<u>13,482</u>		
Total budget	<u>188,182</u>	<u>188,182</u>		
Expenditures:				
Public safety:				
Fire District #1	19,500	19,500	19,500	-
Fire District #12	20,094	20,094	18,548	1,546
Superior Ambulance	19,500	19,500	19,500	-
Canoncito Ambulance	20,693	20,693	19,900	793
Lifeguard Ambulance	19,581	19,581	17,334	2,247
Isleta Pueblo Ambulance	19,620	19,620	19,262	358
Med-Flight Air Ambulance	19,588	19,588	19,422	166
Albuquerque Ambulance	31,200	31,200	30,995	205
Aircare I International	18,406	18,406	18,406	-
Total expenditures	<u>188,182</u>	<u>188,182</u>	<u>182,867</u>	<u>5,315</u>
Deficiency of revenues over expenditures			<u>\$ (8,167)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (8,167)	
(Increase) decrease in liabilities:				
Accounts payable			<u>25,594</u>	
Net changes in fund balance - GAAP basis			<u>\$ 17,427</u>	

COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
LAW ENFORCEMENT PROTECTION
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 213,600	\$ 213,600	\$ 212,400	\$ (1,200)
Fees for services	-	-	33,265	33,265
Total revenues	<u>213,600</u>	<u>213,600</u>	<u>245,665</u>	<u>32,065</u>
Other financing sources				
Transfers in	-	136,719	136,719	-
Total revenues and other financing sources	<u>213,600</u>	<u>350,319</u>	<u>382,384</u>	<u>32,065</u>
Prior year cash balance budget	<u>40,525</u>	<u>40,525</u>		
Total budget	<u>254,125</u>	<u>390,844</u>		
Expenditures:				
Public safety:				
Operating expenditures	245,925	382,644	251,747	130,897
Capital outlay	<u>8,200</u>	<u>8,200</u>	<u>8,200</u>	<u>-</u>
Total expenditures	<u>254,125</u>	<u>390,844</u>	<u>259,947</u>	<u>130,897</u>
Excess of revenues and other financing sources over expenditures			<u>\$ 122,437</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 122,437	
(Increase) decrease in liabilities:				
Accounts payable			<u>12,871</u>	
Net changes in fund balance - GAAP basis			<u>\$ 135,308</u>	

COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
FARM AND RANGE
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 100	\$ 100	\$ 175	\$ 75
Total revenues	<u>100</u>	<u>100</u>	<u>175</u>	<u>75</u>
Prior year cash balance budget	<u>366</u>	<u>366</u>		
Total budget	<u>466</u>	<u>466</u>		
Expenditures:				
Public works:				
Operating expenditures	<u>466</u>	<u>466</u>	<u>-</u>	<u>466</u>
Excess of revenues over expenditures			<u>\$ 175</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 175	
Increase (decrease) in assets:			-	
(Increase) decrease in liabilities:			<u>-</u>	
Net changes in fund balance - GAAP basis			<u>\$ 175</u>	

COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
COUNTY INDIGENT
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Prior year cash balance budget	141,574	141,274		
Total budget	<u>1,141,574</u>	<u>1,141,274</u>		
Expenditures:				
Health and welfare:				
Operating expenditures	<u>1,141,274</u>	<u>1,141,274</u>	<u>998,903</u>	<u>142,371</u>
Total expenditures	<u>1,141,274</u>	<u>1,141,274</u>	<u>998,903</u>	<u>142,371</u>
Excess of revenues over expenditures			<u>\$ 1,097</u>	

Budgetary compliance - non GAAP financial statement reconciliation:

Net changes in fund balance - budget to actual	\$ 1,097
Increase (decrease) in assets:	
Accounts receivable	136,447
(Increase) decrease in liabilities:	
Accounts payable	<u>(82,067)</u>
Net changes in fund balance - GAAP basis	<u>\$ 55,477</u>

COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
COUNTY CLERK RECORDING AND FILING FEES
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees for services	\$ 980,000	\$ 980,000	\$ 924,683	\$ (55,317)
Prior year cash balance budget	<u>156,709</u>	<u>156,709</u>		
Total budget	<u>1,136,709</u>	<u>1,136,709</u>		
Expenditures:				
General government:				
Operating expenditures	1,136,709	1,128,574	835,987	292,587
Capital outlay	<u>-</u>	<u>8,135</u>	<u>8,135</u>	<u>-</u>
Total expenditures	<u>1,136,709</u>	<u>1,136,709</u>	<u>844,122</u>	<u>292,587</u>
Excess of revenues over expenditures			<u>\$ 80,561</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 80,561	
Increase (decrease) in assets:				
(Increase) decrease in liabilities:				
Accounts payable			<u>86,857</u>	
Net changes in fund balance - GAAP basis			<u>\$ 167,418</u>	

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
DEPARTMENT OF SUBSTANCE ABUSE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES BUDGET AND ACTUAL
Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 250,000	\$ 250,000
Miscellaneous	628,000	628,000	464,655	(163,345)
Total Revenues	<u>628,000</u>	<u>628,000</u>	<u>714,655</u>	<u>86,655</u>
Prior year cash balance budget	<u>201,314</u>	<u>201,314</u>		
Total Budget	<u>829,314</u>	<u>829,314</u>		
Expenditures:				
Public safety:				
Operating expenditures	829,314	766,674	449,868	316,806
Capital outlay	-	62,640	-	62,640
Total Expenditures	<u>829,314</u>	<u>829,314</u>	<u>449,868</u>	<u>379,446</u>
Excess of revenues over expenditures			<u>\$ 264,787</u>	
Budgetary compliance - non GAAP financial statement reconciliation:			\$ 264,787	
Net changes in fund balance - budget to actual				
(Increase) decrease in liabilities:				
Accounts payable			(13,741)	
Accrued payroll			<u>1,521</u>	
			<u>\$ 252,567</u>	
Net changes in fund balance - GAAP basis				

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
GENERAL OBLIGATION BONDS DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 12,267,491	\$ 12,267,491	\$ 12,754,825	\$ 487,334
Investment income	-	-	55,022	55,022
Total revenues	<u>12,267,491</u>	<u>12,267,491</u>	<u>12,809,847</u>	<u>542,356</u>
Other financing sources:				
Transfers in	-	717,066	717,066	-
Total revenues and other financing sources	<u>12,267,491</u>	<u>12,984,557</u>	<u>13,526,913</u>	<u>542,356</u>
Expenditures:				
Debt service:				
Principal	8,510,507	8,510,507	7,120,000	1,390,507
Interest	<u>3,756,984</u>	<u>3,756,984</u>	<u>4,138,309</u>	<u>(381,325)</u>
Total expenditures	<u>12,267,491</u>	<u>12,267,491</u>	<u>11,258,309</u>	<u>1,009,182</u>
Excess of revenues and other financing sources over expenditures			<u>\$ 2,268,604</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual				
Increase (decrease) in assets:			\$ 2,268,604	
Property taxes receivable			(147,868)	
Interest receivable			2,717	
(Increase) decrease in liabilities:				
Deferred revenue			125,412	
Net changes in fund balance - GAAP basis			<u>\$ 2,248,865</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
SERIES 1996B
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ 336,554	\$ 336,554	\$ 338,714	\$ 2,160
Other financing sources:				
Transfers in	3,527,832	3,527,832	3,527,832	-
Total revenues and other financing sources	<u>3,864,386</u>	<u>3,864,386</u>	<u>3,866,546</u>	<u>2,160</u>
Prior year cash balance budget	914,692	914,692		
Total budget	<u>4,779,078</u>	<u>4,779,078</u>		
Expenditures:				
Debt service:				
Principal	2,215,000	2,215,000	2,215,000	-
Interest	2,564,078	2,564,078	2,564,078	-
Total expenditures	<u>4,779,078</u>	<u>4,779,078</u>	<u>4,779,078</u>	<u>-</u>
Deficiency of revenues and other financing sources over expenditures			<u>\$ (912,532)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (912,532)	
Increase (decrease) in assets:				
Interest receivable			<u>(3,333)</u>	
Net changes in fund balance - GAAP basis			<u>\$ (915,865)</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
SERIES 1997
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ 91,332	\$ 91,332	\$ 92,170	\$ 838
Other financing sources:				
Transfers in	817,686	817,686	817,686	-
Total revenues and other financing sources	<u>909,018</u>	<u>909,018</u>	<u>909,856</u>	<u>838</u>
Prior year cash balance budget	450,732	450,732		
Total budget	<u>1,359,750</u>	<u>1,359,750</u>		
Expenditures:				
Debt service:				
Principal	1,000,000	1,000,000	1,000,000	-
Interest	359,750	359,750	359,750	-
Total expenditures	<u>1,359,750</u>	<u>1,359,750</u>	<u>1,359,750</u>	<u>-</u>
Deficiency of revenues and other financing sources over expenditures			<u>\$ (449,894)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (449,894)	
Increase (decrease) in assets:				
Interest receivable			<u>(1,625)</u>	
Net changes in fund balance - GAAP basis			<u>\$ (451,519)</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
REFUNDING SERIES 1998
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ 277,386	\$ 277,386	\$ 278,809	\$ 1,423
Other financing sources:				
Transfers in	3,012,876	3,012,876	3,012,876	-
Total revenues and other financing sources	<u>3,290,262</u>	<u>3,290,262</u>	<u>3,291,685</u>	<u>1,423</u>
Prior year cash balance budget	432,214	432,214		
Total budget	<u>3,722,476</u>	<u>3,722,476</u>		
Expenditures:				
Debt service:				
Principal	1,665,000	1,665,000	1,665,000	-
Interest	<u>2,057,476</u>	<u>2,057,476</u>	<u>2,057,476</u>	<u>-</u>
Total expenditures	<u>3,722,476</u>	<u>3,722,476</u>	<u>3,722,476</u>	<u>-</u>
Deficiency of revenues and other financing sources over expenditures			<u>\$ (430,791)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (430,791)	
Increase (decrease) in assets:				
Interest receivable			<u>(1,571)</u>	
Net changes in fund balance - GAAP basis			<u>\$ (432,362)</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
REFUNDING SERIES 2005
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ -	\$ -	\$ 3,316	\$ 3,316
Other financing sources:				
Transfers in	<u>3,005,523</u>	<u>3,005,523</u>	<u>3,005,522</u>	<u>1</u>
Total revenues and other financing sources	<u>3,005,523</u>	<u>3,005,523</u>	<u>3,008,838</u>	<u>3,315</u>
Prior year cash balance budget	<u>449,340</u>	<u>449,340</u>		
Total budget	<u>3,454,863</u>	<u>3,454,863</u>		
Expenditures:				
Debt service:				
Principal	1,400,000	1,400,000	1,400,000	-
Interest	<u>2,054,863</u>	<u>2,054,863</u>	<u>2,054,863</u>	<u>-</u>
Total expenditures	<u>3,454,863</u>	<u>3,454,863</u>	<u>3,454,863</u>	<u>-</u>
Deficiency of revenues and other financing sources over expenditures			<u>\$ (446,025)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (446,025)	
Increase (decrease) in assets:				
Interest receivable			<u>(1,620)</u>	
Net changes in fund balance - GAAP basis			<u>\$ (447,645)</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
SERIES 2008A
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Prior year cash balance budget	\$ 187,661	\$ 187,661		
Total budget	<u>187,661</u>	<u>187,661</u>		
Other financing uses:				
Transfer out	<u>187,661</u>	<u>187,661</u>	\$ 187,661	-
Total expenditures and other financing uses	<u>187,661</u>	<u>187,661</u>	<u>187,661</u>	-
Deficiency of revenues over other financing uses			<u>\$ (187,661)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (187,661)	
Increase (decrease) in assets:			-	
Net changes in fund balance - GAAP basis			<u>\$ (187,661)</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
REFUNDING SERIES 2010A
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ -	\$ -	\$ 10,289	\$ 10,289
Other financing sources:				
Transfers in	1,193,225	1,193,225	1,193,225	-
Total revenues and other financing sources	<u>1,193,225</u>	<u>1,193,225</u>	<u>1,203,514</u>	<u>10,289</u>
Expenditures:				
Debt service:				
Principal	975,000	975,000	975,000	-
Interest	218,225	218,225	218,225	-
Total expenditures	<u>1,193,225</u>	<u>1,193,225</u>	<u>1,193,225</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures			<u>\$ 10,289</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 10,289	
Increase (decrease) in assets:				
Interest receivable			<u>1,816</u>	
Net changes in fund balance - GAAP basis			<u>\$ 12,105</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
REFUNDING SERIES 2010A DEBT RESERVE
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources:				
Transfers in	\$ -	\$ 900,000	\$ 900,000	\$ -
Total financing sources	<u>-</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>

Budgetary compliance - non GAAP financial statement reconciliation:

Net changes in fund balance - budget to actual	\$ 900,000
Increase (decrease) in assets:	-
(Increase) decrease in liabilities:	<u>-</u>
Net changes in fund balance - GAAP basis	<u><u>\$ 900,000</u></u>

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
REFUNDING SERIES 2010B
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ -	\$ -	\$ 331	331
Miscellaneous	116,638	116,638	56,638	(60,000)
Total revenues	<u>116,638</u>	<u>116,638</u>	<u>56,969</u>	<u>(59,669)</u>
 Prior year cash balance budget	 -	 59,669		
Total budget	<u>116,638</u>	<u>176,307</u>		
 Expenditures:				
Debt service:				
Principal	60,000	60,000	60,000	-
Interest	56,638	56,638	56,638	-
Total expenditures	<u>116,638</u>	<u>116,638</u>	<u>116,638</u>	<u>-</u>
 Deficiency of revenues over expenditures			 <u>\$ (59,669)</u>	
 Budgetary compliance - non GAAP financial statement reconciliation:			 \$ (59,669)	
Net changes in fund balance - budget to actual			-	
Increase (decrease) in assets:				
Accounts receivable			396	
Net changes in fund balance - GAAP basis			<u>\$ (59,273)</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
SERIES 2010B DEBT RESERVE
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources:				
Transfers in	\$ -	\$ 159,419	\$ 159,419	\$ -
Total financing sources	<u>-</u>	<u>159,419</u>	<u>159,419</u>	<u>-</u>

Budgetary compliance - non GAAP financial statement reconciliation:

Net changes in fund balance - budget to actual	\$ 159,419
Increase (decrease) in assets:	-
(Increase) decrease in liabilities:	<u>-</u>
Net changes in fund balance - GAAP basis	<u><u>\$ 159,419</u></u>

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
TRAN DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Prior year cash balance budget	\$ 119,529	\$ 119,529		
Other financing uses:				
Transfers out	<u>119,529</u>	<u>119,529</u>	<u>\$ 119,529</u>	<u>-</u>
Deficiency of other financing sources over other financing uses			<u><u>\$ (119,529)</u></u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (119,529)	
Increase (decrease) in assets:			-	
(Increase) decrease in liabilities:			<u>-</u>	
Net changes in fund balance - GAAP basis			<u><u>\$ (119,529)</u></u>	

COUNTY OF BERNALILLO, NEW MEXICO

DESCRIPTION OF FIDUCIARY FUNDS

AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Treasurer Funds. To account for the collection and payment to the County and other recipient entities of property taxes billed and collected by the County on their behalf. The Treasurer's funds are as follows:

Children's Trust Fund. To record \$15 of each \$25 fee for issuing and recording a marriage license. The money is remitted to the State of New Mexico for use in projects for the treatment and prevention of child abuse. This fund was created by authority of Section 40-1-11, NMSA 1978 Compilation

Refund Overpayments. Serves as a clearing account for refunds arising from overpayment of property taxes or other fees.

Valuation Problems. Consists of two accounts by authority of Section 7-38-46, NMSA 1978 Compilation:

Valuation Problems Account. Used to collect estimated tax on a forthcoming tax bill correction resulting from a valuation protest.

Research Items Account. Holds receipted monies when a multi-year discrepancy is being resolved; it is also used to hold monies while a taxpayer problem is being researched.

Partial Payments (Over/Under Tax Payments). Consists of four accounts by authority of Section 7-38-42, NMSA 1978 Compilation:

Underpayments. To record payments which are less than the total due because of penalty and interest charges. The property tax revenue is held in this account until a notice requesting penalty and interest is responded to by payment.

Partial Payments. To hold overpayments until a refund is requested or sent out, and to hold underpayments until the deficiency is corrected.

Overpayments. Overpayments in excess of \$.99 are held in the account until a refund request is received or a date after June 30.

Bankruptcy. Used to record cash receipts for property taxes when the tax liability has been identified through the bankruptcy process. The County disburses money out of this account when enough has accumulated to distribute the taxes (½ or full year bill).

COUNTY OF BERNALILLO, NEW MEXICO

DESCRIPTION OF FIDUCIARY FUNDS

AGENCY FUNDS (CONTINUED)

Taxes Paid in Advance. Consists of two accounts:

Omit Payment. Used to record the revenue collected from mobile home property taxes where the assessor has determined that the property had been omitted from the property tax rolls.

Mobile Homes Prepaid. Used to record the monies received as a condition of a property owner obtaining a tax release during the period January 1 to September 30. Taxes collected during October are recorded to the tax omit payment account and taxes collected during November and December are recorded to the undistributed taxes account.

Claim for Refund IOI. To account for interest earned on collected taxes when the valuation of the subject property is under formal protest.

Undistributed Taxes. To account for property tax payments and interest and penalty on tax payments received prior to distribution to various government entities. See Section 7-38-42 & 7-38-43, NMSA 1978 Compilation.

NSF Applies. Used to hold that portion of the tax payment which has cleared the bank until such time as remainder is paid.

Claim for Refund. To account for property taxes collected when the valuation of the subject property is under formal protest

Trust and Escrow (Judgment Auto Pay). To account for monies collected on a corrected tax bill until either a balance due payment is submitted or the amount is transferred to the Undistributed Tax Account.

Court Services Fund. To account for the receipts and disbursements related to process servers.

County Sheriff. To account for the collection and payment to the County of charges for services provided and to account for the collection and disbursement of evidence and awards in civil suits on behalf of the plaintiffs involved.

Inmate MDC. To provide a place of safekeeping for funds an offender may have access to but not physical control of during their confinement.

Resident JDYSC. To account for monies collected from juveniles upon their admittance to the detention facility and which are remitted back to them upon their release.

Regional Transit Fund. To account for the one-eighth of one percent gross receipts tax approved by voters in the 2008 general election in accordance with Section 7-20E-23, NMSA 1978 Compilation. Statute requires all proceeds from this tax be transferred to the Rio Metro Regional Transit District for the operation of the district and the commuter train system known as the New Mexico Rail Runner Express.

Cafeteria Plan. To account for monies deposited on behalf of county employees for the flex spending benefit, that is administered by BASIC.

Special Assessment Districts. To account for the collection of special assessment liens and the subsequent payment of special assessment bonds for the following districts:

Special Assessment District 83-1

Special Assessment District 83-1B

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2013

	Treasurer Funds										
	Children's Trust Fund	Refund Over- payments	Valuation Problems	Partial Payments	Taxes Paid in Advance	Claim for Refund IOI	Undistributed Taxes	NSF Applies	Claim for Refund	Trust and Escrow	Total Treasurer
ASSETS											
Cash and investments	\$ -	\$ 3,805,427	\$ 8,401	\$ 58,175	\$ 130,822	\$ 647,247	\$ 6,588,574	\$ 3,291	\$ 7,307,270	\$ 2,859	\$ 18,552,066
Receivables, net:											
Property taxes	-	-	-	-	-	-	36,369,659	-	-	-	36,369,659
Other	-	-	-	-	-	18,405	-	-	-	-	18,405
Total assets	<u>\$ -</u>	<u>\$ 3,805,427</u>	<u>\$ 8,401</u>	<u>\$ 58,175</u>	<u>\$ 130,822</u>	<u>\$ 665,652</u>	<u>\$ 42,958,233</u>	<u>\$ 3,291</u>	<u>\$ 7,307,270</u>	<u>\$ 2,859</u>	<u>\$ 54,940,130</u>
LIABILITIES											
Deposits held in trust for others	\$ (3,439)	\$ 3,805,427	\$ 8,401	\$ 58,175	\$ 130,822	\$ 665,652	\$ 6,588,574	\$ 3,291	\$ 7,307,270	\$ 2,859	\$ 18,567,032
Other	3,439	-	-	-	-	-	-	-	-	-	3,439
Future taxes collectable	-	-	-	-	-	-	36,369,659	-	-	-	36,369,659
	<u>\$ -</u>	<u>\$ 3,805,427</u>	<u>\$ 8,401</u>	<u>\$ 58,175</u>	<u>\$ 130,822</u>	<u>\$ 665,652</u>	<u>\$ 42,958,233</u>	<u>\$ 3,291</u>	<u>\$ 7,307,270</u>	<u>\$ 2,859</u>	<u>\$ 54,940,130</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2013

	Court Services Fund	County Sheriff	Inmate MDC	Resident JDYSC	Regional Transit Fund	Cafeteria Plan	Special Assessment District 83-1	Special Assessment District 83-1B	Total Agency Fund
ASSETS									
Cash and investments	\$ 2,401	\$ 236,010	\$ 1,002,292	\$ 1,229	\$ -	\$ 151,947	\$ 532,255	\$ 338	\$ 20,478,538
Receivables, net:									
Property taxes	-	-	-	-	-	-	-	1,155,000	37,524,659
Other	-	-	-	-	3,717,377	-	54,218	-	3,790,000
Total assets	\$ 2,401	\$ 236,010	\$ 1,002,292	\$ 1,229	\$ 3,717,377	\$ 151,947	\$ 586,473	\$ 1,155,338	\$ 61,793,197
LIABILITIES									
Deposits held in trust for others	\$ 2,401	\$ 236,010	\$ 1,002,292	\$ 1,229	\$ -	\$ 151,947	\$ 586,473	\$ 338	\$ 20,547,722
Other	-	-	-	-	-	-	-	-	3,439
Future taxes collectable	-	-	-	-	3,717,377	-	-	1,155,000	41,242,036
Total liabilities	\$ 2,401	\$ 236,010	\$ 1,002,292	\$ 1,229	\$ 3,717,377	\$ 151,947	\$ 586,473	\$ 1,155,338	\$ 61,793,197

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF BERNALILLO, NEW MEXICO

NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise funds are used to account for operations (1) that are financial and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing services on a continuing basis be financed or recovered primarily through user charges; and (2) when the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Solid Waste. To account for the operations of the Solid Waste Program. All activities necessary to operate the program are accounted for in this fund, including, but not limited to, administration, operations, and financing.

The *Bernalillo County Housing Authority* accounts for the provision of administrative services to the County's HUD Section 8 Annual Contribution Contract, No. FW-5325; property management services to the Bernalillo County Housing and Redevelopment Corporation; and for the costs of contracting for the future construction of other housing projects of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, rental contract negotiation, and collection.

Seybold Village 21 Units - Handicapped. To account for the construction and operations of Seybold Village 21 Units Handicapped Housing Project. All activities necessary to construct and operate the project are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing, and construction.

Regional Juvenile Detention Center. To account for the operations of the Regional Juvenile Detention Center. All activities necessary to operate the program are accounted for in this fund, including, but not limited to, administration, operations, and financing.

El Centro Familiar. To account for the operations of the El Centro Familiar housing project. All activities necessary to operate the project are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service.

COUNTY OF BERNALILLO, NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2013

	<u>Solid Waste</u>	<u>Bernalillo County Housing Authority</u>	<u>Seybold Village Handicapped Project</u>	<u>Regional Juvenile Detention Center</u>	<u>El Centro Familiar</u>	<u>Totals</u>
ASSETS						
Current assets:						
Cash and investments	\$ 1,391,911	\$ 2,510,905	\$ 555,776	\$ 472,966	\$ 924,232	\$ 5,855,790
Accounts receivable, net	1,486,341	239,176	38	31,161	582	1,757,298
Accrued interest receivable	-	394	-	-	-	394
Due from other funds	-	688,871	3,468	-	4,982	697,321
Total current assets	<u>2,878,252</u>	<u>3,439,346</u>	<u>559,282</u>	<u>504,127</u>	<u>929,796</u>	<u>8,310,803</u>
Noncurrent assets:						
Capital assets:						
Land	34,000	159,000	205,500	-	36,852	435,352
Land Improvements	-	-	166,027	-	-	166,027
Buildings	681,791	1,062,868	2,093,427	-	2,682,124	6,520,210
Construction in progress	35,841	-	-	-	-	35,841
Equipment, machinery, and furniture	1,316,031	283,803	33,740	-	12,205	1,645,779
Less accumulated depreciation	<u>(1,597,499)</u>	<u>(734,189)</u>	<u>(1,696,924)</u>	<u>-</u>	<u>(1,379,605)</u>	<u>(5,408,217)</u>
Total noncurrent assets	<u>470,164</u>	<u>771,482</u>	<u>801,770</u>	<u>-</u>	<u>1,351,576</u>	<u>3,394,992</u>
Total assets	<u>\$ 3,348,416</u>	<u>\$ 4,210,828</u>	<u>\$ 1,361,052</u>	<u>\$ 504,127</u>	<u>\$ 2,281,372</u>	<u>\$ 11,705,795</u>
LIABILITIES						
Current liabilities:						
Accounts payable and other current liabilities	\$ 331,708	\$ 34,717	\$ 303,201	\$ 152,426	\$ 38,763	\$ 860,815
Compensated absences	5,503	19,240	101	7,151	824	32,819
Accrued payroll	16,082	10,012	2,725	28,246	3,016	60,081
Due to other funds	-	646,164	-	-	11,154	657,318
Due to grantor	-	-	-	-	1,541	1,541
Unearned revenue	<u>1,233,788</u>	<u>-</u>	<u>749</u>	<u>-</u>	<u>-</u>	<u>1,234,537</u>
Total current liabilities	<u>1,587,081</u>	<u>710,133</u>	<u>306,776</u>	<u>187,823</u>	<u>55,298</u>	<u>2,847,111</u>
Noncurrent liabilities:						
Compensated absences	55,642	194,535	1,023	72,302	8,332	331,834
Deposits held in trust for others	-	-	4,626	-	9,796	14,422
Advance from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,470,000</u>	<u>1,470,000</u>
Total noncurrent liabilities	<u>55,642</u>	<u>194,535</u>	<u>5,649</u>	<u>72,302</u>	<u>1,488,128</u>	<u>1,816,256</u>
Total liabilities	<u>1,642,723</u>	<u>904,668</u>	<u>312,425</u>	<u>260,125</u>	<u>1,543,426</u>	<u>4,663,367</u>
NET POSITION						
Net investment in capital assets	470,164	771,482	801,770	-	1,351,576	3,394,992
Unrestricted (deficit)	<u>1,235,529</u>	<u>2,534,678</u>	<u>246,857</u>	<u>244,002</u>	<u>(613,630)</u>	<u>3,647,436</u>
Total net position	<u>\$ 1,705,693</u>	<u>\$ 3,306,160</u>	<u>\$ 1,048,627</u>	<u>\$ 244,002</u>	<u>\$ 737,946</u>	<u>\$ 7,042,428</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2013

	<u>Solid Waste</u>	<u>Bernalillo County Housing Authority</u>	<u>Seybold Village Handicapped Project</u>	<u>Regional Juvenile Detention Center</u>	<u>El Centro Familiar</u>	<u>Totals</u>
Operating revenues:						
Administrative and service fees	\$ 4,825,778	\$ 501,763	\$ -	\$ 1,053,534	\$ -	\$ 6,381,075
Rental income						
Tenants	-	-	45,766	-	196,080	241,846
Other income	<u>169,004</u>	<u>60,321</u>	<u>49,294</u>	<u>-</u>	<u>2,791</u>	<u>281,410</u>
Total operating revenues	<u>4,994,782</u>	<u>562,084</u>	<u>95,060</u>	<u>1,053,534</u>	<u>198,871</u>	<u>6,904,331</u>
Operating expenses:						
Salaries and wages	384,332	455,066	54,440	704,889	44,814	1,643,541
Contractual services	4,008,431	606,484	204,769	70,397	64,783	4,954,864
Materials and supplies	34,134	23,208	4,121	215,158	8,140	284,761
Other services and charges	248,729	164,958	42,847	26,591	55,699	538,824
Miscellaneous expense	352	-	-	-	57,454	57,806
Depreciation	<u>34,401</u>	<u>56,327</u>	<u>49,082</u>	<u>-</u>	<u>105,295</u>	<u>245,105</u>
Total operating expenses	<u>4,710,379</u>	<u>1,306,043</u>	<u>355,259</u>	<u>1,017,035</u>	<u>336,185</u>	<u>7,724,901</u>
Operating income (loss)	<u>284,403</u>	<u>(743,959)</u>	<u>(260,199)</u>	<u>36,499</u>	<u>(137,314)</u>	<u>(820,570)</u>
Non-operating revenues:						
Interest income	-	3,617	98	-	199	3,914
Gain on sale of capital assets	67,275	-	-	-	-	67,275
Grants - subsidies	176,000	-	-	-	172,950	348,950
Other government grant subsidies	<u>-</u>	<u>779,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>779,490</u>
Total nonoperating revenue	<u>243,275</u>	<u>783,107</u>	<u>98</u>	<u>-</u>	<u>173,149</u>	<u>1,199,629</u>
Income (loss) before contributions and transfers	<u>527,678</u>	<u>39,148</u>	<u>(260,101)</u>	<u>36,499</u>	<u>35,835</u>	<u>379,059</u>
Capital-grant subsidies	-	-	20,518	-	-	20,518
Transfers in	<u>347,000</u>	<u>288,217</u>	<u>69,004</u>	<u>-</u>	<u>137,678</u>	<u>841,899</u>
Change in net position	<u>874,678</u>	<u>327,365</u>	<u>(170,579)</u>	<u>36,499</u>	<u>173,513</u>	<u>1,241,476</u>
Total net position - beginning	<u>831,015</u>	<u>2,978,795</u>	<u>1,219,206</u>	<u>207,503</u>	<u>564,433</u>	<u>5,800,952</u>
Total net position (deficit) - ending	<u>\$ 1,705,693</u>	<u>\$ 3,306,160</u>	<u>\$ 1,048,627</u>	<u>\$ 244,002</u>	<u>\$ 737,946</u>	<u>\$ 7,042,428</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2013

	Business-type Activities Enterprise Funds					Totals
	Solid Waste	Bernalillo County Housing Authority	Seybold Village Handicapped Project	Regional Juvenile Detention Center	EI Centro Familiar	
Cash flows from operating activities:						
Receipts from administration and service fees	\$ 5,109,700	\$ 622,998	\$ -	\$ 1,041,011	\$ -	\$ 6,773,709
Receipts from rents	-	-	48,416	-	197,932	246,348
Receipts from other funds for goods and services	-	52,477	493,093	-	35,582	581,152
Payments to employees for services	(315,450)	(511,955)	(68,357)	(475,082)	(72,214)	(1,443,058)
Payments to vendors for goods and services	(4,429,690)	(862,396)	(250,093)	(553,548)	(182,863)	(6,278,590)
Payments to other funds for goods and services	-	(374,027)	-	-	(4,982)	(379,009)
Miscellaneous cash received	-	60,321	49,456	-	1,843	111,620
Net cash provided (used) by operating activities	<u>364,560</u>	<u>(1,012,582)</u>	<u>272,515</u>	<u>12,381</u>	<u>(24,702)</u>	<u>(387,828)</u>
Cash flows from noncapital financing activities:						
Operating grants/subsidies received	176,000	779,490	-	-	172,950	1,128,440
Contributions to other funds	-	-	-	-	(60,000)	(60,000)
Transfers in from other funds	347,000	288,217	69,004	-	137,678	841,899
Net cash provided by noncapital financing activities	<u>523,000</u>	<u>1,067,707</u>	<u>69,004</u>	<u>-</u>	<u>250,628</u>	<u>1,910,339</u>
Cash flows from capital and related financing activities:						
Proceeds from sale of capital assets	67,275	-	-	-	-	67,275
Acquisition of capital assets	(89,992)	(134,551)	(121,468)	-	-	(346,011)
Capital grants received	-	-	20,518	-	-	20,518
Net cash provided (used) by capital and related financing activities	<u>(22,717)</u>	<u>(134,551)</u>	<u>(100,950)</u>	<u>-</u>	<u>-</u>	<u>(258,218)</u>
Cash flows from investing activities:						
Interest received on investments	-	3,617	98	-	199	3,914
Net cash provided by investing activities	<u>-</u>	<u>3,617</u>	<u>98</u>	<u>-</u>	<u>199</u>	<u>3,914</u>
Net increase (decrease) in cash and cash equivalents	<u>864,843</u>	<u>(75,809)</u>	<u>240,667</u>	<u>12,381</u>	<u>226,125</u>	<u>1,268,207</u>
Cash and cash equivalents, beginning of year	<u>527,068</u>	<u>2,586,714</u>	<u>315,109</u>	<u>460,585</u>	<u>698,107</u>	<u>4,587,583</u>
Cash and cash equivalents, end of year	<u>\$ 1,391,911</u>	<u>\$ 2,510,905</u>	<u>\$ 555,776</u>	<u>\$ 472,966</u>	<u>\$ 924,232</u>	<u>\$ 5,855,790</u>
Reconciliation of operating income (loss) to net cash flows provided (used) by operating activities:						
Operating income (loss)	\$ 284,403	\$ (743,959)	\$ (260,199)	\$ 36,499	\$ (137,314)	\$ (820,570)
Adjustments to reconcile operating income to net cash provided(used) by operating activities:						
Depreciation	34,401	56,327	49,082	-	105,295	245,105
Change in assets and liabilities:						
Accounts receivable	3,438,519	121,235	2,823	(12,524)	13,400	3,563,453
Allowance for uncollectable accounts	(3,323,601)	-	-	-	(11,448)	(3,335,049)
Inventory	-	-	757	-	3,972	4,729
Due from other funds	-	52,477	199,243	-	(4,982)	246,738
Deferred revenue	-	-	(172)	-	(100)	(272)
Accounts payable	(13,775)	(237,724)	300,989	(16,719)	33,374	66,145
Due to other funds	-	(202,711)	(7,376)	-	(872)	(210,959)
Tenants payable	-	-	162	-	(948)	(786)
Accrued compensated absences	(55,387)	(58,227)	(12,794)	5,125	(25,079)	(146,362)
Net cash flows provided (used) by operating activities	<u>\$ 364,560</u>	<u>\$ (1,012,582)</u>	<u>\$ 272,515</u>	<u>\$ 12,381</u>	<u>\$ (24,702)</u>	<u>\$ (387,828)</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF BERNALILLO, NEW MEXICO
ENTERPRISE FUND
SOLID WASTE
SCHEDULE OF REVENUES, EXPENSES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Customer billings	\$ 4,505,633	\$ 4,505,633	\$ 4,581,751	\$ 76,118
Transfer station fees	331,949	331,949	325,964	(5,985)
Miscellaneous	357,000	357,000	412,279	55,279
Total revenues	<u>5,194,582</u>	<u>5,194,582</u>	<u>5,319,994</u>	<u>125,412</u>
Other financing sources				
Transfer in	347,000	347,000	347,000	-
Total revenues and other financing sources	<u>5,541,582</u>	<u>5,541,582</u>	<u>5,666,994</u>	<u>125,412</u>
Prior year cash balance budget	99,994	99,994		
Total budget	<u>5,641,576</u>	<u>5,641,576</u>		
Expenses:				
Operating expenses	<u>5,641,576</u>	<u>5,641,576</u>	<u>4,747,469</u>	<u>894,107</u>
Excess of revenues and other financing sources over expenses			<u>\$ 919,525</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in net position - budget to actual			\$ 919,525	
Increase (decrease) in assets:				
Accounts receivable			(81,938)	
(Increase) decrease in liabilities:				
Accounts payable			8,017	
Accrued payroll			8,088	
Compensated absences			55,387	
Depreciation			(34,401)	
Net changes in net position - GAAP basis			<u>\$ 874,678</u>	

COUNTY OF BERNALILLO, NEW MEXICO
ENTERPRISE FUND
REGIONAL JUVENILE DETENTION CENTER
SCHEDULE OF REVENUES, EXPENSES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees for services	\$ 1,305,223	\$ 1,305,223	\$ 1,056,363	\$ (248,860)
Prior year cash budget	<u>224,706</u>	<u>224,706</u>		
Total Revenues	<u>1,529,929</u>	<u>1,529,929</u>		
Expenses:				
Operating expenses	<u>1,529,929</u>	<u>1,529,929</u>	<u>1,016,457</u>	<u>513,472</u>
Excess of revenues over expenses			<u>\$ 39,906</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in net position - budget to actual			\$ 39,906	
Increase (decrease) in assets:				
Accounts receivable			(2,829)	
(Increase) decrease in liabilities:				
Accounts payable			7,021	
Accrued payroll			(2,474)	
Compensated absences			<u>(5,125)</u>	
Net changes in net position - GAAP basis			<u>\$ 36,499</u>	

COUNTY OF BERNALILLO, NEW MEXICO
INTERNAL SERVICE FUND
RISK MANAGEMENT
SCHEDULE OF REVENUES, EXPENSES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees for services	\$ 8,066,112	\$ 8,066,112	\$ 7,143,421	\$ (922,691)
Prior year cash balance budget	<u>3,121,167</u>	<u>3,121,167</u>		
Total budget	<u>11,187,279</u>	<u>11,187,279</u>		
Expenses:				
Operating expenses	<u>11,187,279</u>	<u>11,187,279</u>	<u>7,143,421</u>	<u>4,043,858</u>
Revenues equal expenses			<u><u>\$ -</u></u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in net position - budget to actual			\$ -	
Increase (decrease) in assets:				
Prepaid expenses			71,636	
Due from other funds			143,472	
(Increase) decrease in liabilities:				
Accounts payable			(143,472)	
Unearned revenue			<u>(71,636)</u>	
Net changes in net position - GAAP basis			<u><u>\$ -</u></u>	



COUNTY OF BERNALILLO, NEW MEXICO
 FINANCIAL DATA SCHEDULE - AS REQUIRED BY HUD
 YEAR ENDED JUNE 30, 2013

Financial Data Schedule - Balance Sheet

Account Description	Seybold	Housing Choice Vouchers	El Centro	Home Rehabilitation	Central Office	Total
111 Cash - Unrestricted	\$ 554,618	\$ 780,555	\$ 908,264	\$ 183,697	\$ 2,369,913	\$ 4,797,047
113 Cash - Other Restricted	-	636,751	-	-	-	636,751
114 Cash - Tenant Security Deposits	4,626	-	9,796	-	-	14,422
115 Cash - Restricted for Payment of Current Liabilities	-	722	-	-	-	722
100 Total Cash	559,244	1,418,028	918,060	183,697	2,369,913	5,448,942
124 Accounts Receivable - Other Government	-	-	-	21,265	-	21,265
125 Accounts Receivable - Miscellaneous	-	-	-	-	217,912	217,912
126 Accounts Receivable - Tenants	2,421	-	8,245	-	-	10,666
126.1 Allowance for Doubtful Accounts - Tenants	(2,383)	-	(7,663)	-	-	(10,046)
128 Fraud Recovery	-	42,386	-	-	-	42,386
128.1 Allowance for Doubtful Accounts - Fraud	-	(28,967)	-	-	-	(28,967)
129 Accrued Interest Receivable	-	-	-	-	395	395
120 Total Receivables, Net of Allowances for Doubtful Accounts	38	13,419	582	21,265	218,307	253,611
150 Total Current Assets	559,282	1,431,447	918,642	204,962	2,588,220	5,702,553
161 Land	205,500	-	36,852	-	159,000	401,352
162 Buildings	2,259,454	-	2,682,124	-	1,062,868	6,004,446
163 Furniture, Equipment & Machinery - Dwellings	33,740	-	12,205	-	-	45,945
164 Furniture, Equipment & Machinery - Administration	-	-	-	-	283,803	283,803
166 Accumulated Depreciation	(1,696,924)	-	(1,379,605)	-	(734,188)	(3,810,717)
160 Total Capital Assets, Net of Accumulated Depreciation	801,770	-	1,351,576	-	771,483	2,924,829
180 Total Non-Current Assets	801,770	-	1,351,576	-	771,483	2,924,829
190 Total Assets	1,361,052	1,431,447	2,270,218	204,962	3,359,703	8,627,382
312 Accounts Payable <= 90 Days	-	33,139	-	-	-	33,139
321 Accrued Wage/Payroll Taxes Payable	2,725	35,794	3,016	1,204	8,808	51,547
322 Accrued Compensated Absences - Current Portion	101	8,084	824	481	10,675	20,165
325 Accrued Interest Payable	-	-	2,310	-	-	2,310
331 Accounts Payable - HUD PHA Programs	-	722	-	-	-	722
333 Accounts Payable - Other Government	303,201	80,793	36,453	26,192	8,527	455,166
341 Tenant Security Deposits	4,626	-	9,796	-	-	14,422
342 Deferred Revenues	749	103,131	1,541	-	-	105,421
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	-	-	65,000	-	-	65,000
310 Total Current Liabilities	311,402	261,663	118,940	27,877	28,010	747,892
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	1,405,000	-	-	1,405,000
353 Non-current Liabilities - Other	-	261,420	-	-	-	261,420
354 Accrued Compensated Absences - Non Current	1,023	81,734	8,332	4,867	107,933	203,889
350 Total Non-Current Liabilities	1,023	343,154	1,413,332	4,867	107,933	1,870,309
300 Total Liabilities	312,425	604,817	1,532,272	32,744	135,943	2,618,201
508.1 Invested In Capital Assets, Net of Related Debt	801,770	-	(118,424)	-	771,483	1,454,829
511.1 Restricted Net Position	-	375,331	-	-	-	375,331
512.1 Unrestricted Net Position	246,857	451,299	856,370	172,218	2,452,277	4,179,021
513 Total Equity/Net Position	1,048,627	826,630	737,946	172,218	3,223,760	6,009,181
600 Total Liabilities and Equity/Net Position	\$ 1,361,052	\$ 1,431,447	\$ 2,270,218	\$ 204,962	\$ 3,359,703	\$ 8,627,382

COUNTY OF BERNALILLO, NEW MEXICO
 FINANCIAL DATA SCHEDULE - AS REQUIRED BY HUD
 YEAR ENDED JUNE 30, 2013

Financial Data Schedule - Revenue and Expenditures

Account Description	Seybold	Housing Choice Vouchers	El Centro	Home Rehabilitation	Central Office	Total
70300 Net Tenant Rental Revenue	\$ 45,766	\$ -	\$ 196,080	\$ -	\$ -	\$ 241,846
70400 Tenant Revenue - Other	160	-	370	-	-	530
70500 Total Tenant Revenue	45,926	-	196,450	-	-	242,376
70600 HUD PHA Operating Grants	69,030	11,620,682	172,950	-	-	11,862,662
70800 Other Government Grants	-	-	-	779,490	-	779,490
71100 Investment Income - Unrestricted	98	9	198	-	3,618	3,923
71400 Fraud Recovery	-	20,508	-	-	-	20,508
71500 Other Revenue	622	359,915	2,421	1,302	560,782	925,042
70000 Total Revenue	115,676	12,001,114	372,019	780,792	564,400	13,834,001
91100 Administrative Salaries	5,005	270,297	8,912	71,350	288,564	644,128
91300 Management Fee	17,330	439,432	7,716	30,580	-	495,058
91310 Book-keeping Fee	1,882	-	4,823	-	-	6,705
91400 Advertising and Marketing	-	-	-	1,253	-	1,253
91500 Employee Benefit contributions - Administrative	4,603	208,040	8,767	68,332	110,570	400,312
91600 Office Expenses	681	-	1,780	-	2,865	5,326
91900 Other	1,680	22,913	3,038	1,039	114,686	143,356
91000 Total Operating - Administrative	31,181	940,682	35,036	172,554	516,685	1,696,138
92100 Tenant Services - Salaries	-	65,197	-	-	-	65,197
92300 Employee Benefit Contributions - Tenant Services	-	35,085	-	-	-	35,085
92500 Total Tenant Services	-	100,282	-	-	-	100,282
93100 Water	10,684	-	6,462	162	4,365	21,673
93200 Electricity	1,087	-	7,610	48	18,223	26,968
93300 Gas	315	-	9,960	41	1,953	12,269
93000 Total Utilities	12,086	-	24,032	251	24,541	60,910
94100 Ordinary Maintenance and Operations - Labor	20,688	-	10,390	-	-	31,078
94200 Ordinary Maintenance and Operations - Materials and Other	3,054	-	8,005	16	10,485	21,560
94300 Ordinary Maintenance and Operations Contracts	44,532	-	71,355	509,971	93,120	718,978
94500 Employee Benefit Contributions - Ordinary Maintenance	21,491	-	13,331	-	-	34,822
94000 Total Maintenance	89,765	-	103,081	509,987	103,605	806,438
96110 Property Insurance	3,084	-	7,063	-	1,919	12,066
96130 Workmen's Compensation	544	720	978	112	485	2,839
96140 All Other Insurance	435	5,025	811	1,014	2,910	10,195
96100 Total insurance Premiums	4,063	5,745	8,852	1,126	5,314	25,100
96210 Compensated Absences	2,111	26,288	2,435	2,075	21,377	54,286
96400 Bad debt - Tenant Rents	2,299	-	866	-	-	\$3,165
96000 Total Other General Expenses	4,410	26,288	3,301	2,075	21,377	57,451
96710 Interest of Mortgage (or Bonds) Payable	-	-	56,587	-	-	56,587
96700 Total Interest Expense and Amortization Cost	-	-	56,587	-	-	56,587
96900 Total Operating Expenses	141,505	1,072,997	230,889	685,993	671,522	2,802,906
97000 Excess of Operating Revenue over Operating Expenses	(25,829)	10,928,117	141,130	94,799	(107,122)	11,031,095
97100 Extraordinary Maintenance	164,672	-	-	-	-	164,672
97300 Housing Assistance Payments	-	11,758,973	-	-	-	11,758,973
97350 HAP Portability-In	-	274,439	-	-	-	274,439
97400 Depreciation Expense	49,081	-	105,295	-	56,327	210,703
90000 Total Expenses	355,258	13,106,409	336,184	685,993	727,849	15,211,693
10040 Operating Transfers from/to Component Unit	69,003	55,102	137,678	-	288,217	\$550,000
10100 Total Other financing Sources (Uses)	69,003	55,102	137,678	-	288,217	\$550,000
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (170,579)	\$ (1,050,193)	\$ 173,513	\$ 94,799	\$ 124,768	\$ (827,692)
11020 Required Annual Debt Principal Payments	-	-	65,000	-	-	65,000
11030 Beginning Equity	1,219,206	1,877,187	564,433	77,419	3,098,992	6,837,237
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	(364)	-	-	-	(364)
11170 Administrative Fee Equity	-	451,299	-	-	-	451,299
11180 Housing Assistance Payments Equity	-	375,331	-	-	-	375,331
11190 Unit Months Available	252	25,212	648	-	-	26112
11210 Number of Unit Months Leased	251	22,535	643	-	-	23429
11270 Excess Cash	237,808	-	-	-	-	237,808

**COUNTY OF BERNALILLO, NEW MEXICO
 FINANCIAL DATA SCHEDULE - DSAP RENEE's PROJECT
 YEAR ENDED JUNE 30, 2013**

Financial Data Schedule - Balance Sheet

Account Description	Special Needs Assistance NM0051B6B001002
112 Total Cash - Restricted	\$ 7,435
190 Total Assets	7,435
342 Deferred Revenues	7,435
300 Total Liabilities	7,435
600 Total Liabilities and Equity/Net Assets	\$ 7,435

Financial Data Schedule - Revenue and Expenditures

Account Description	Special Needs Assistance NM0051B6B001002
70600 HUD Operating Grant	\$ 51,584
70000 Total Revenue	51,584
91300 Management Fee	220
91900 Other Admin Expense	2,218
96900 Total Operating Expenses	2,438
97000 Excess of Operating Revenue over Operating Expenses	49,146
97300 Housing Assistance Payments	49,146
90000 Total Expenses	51,584
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ -

COUNTY OF BERNALILLO, NEW MEXICO
 SCHEDULE OF BANK ACCOUNTS
 YEAR ENDED JUNE 30, 2013

Financial Institution: Account name	Type of Account	Bank Balance	(Checks) Deposits	Book Balance
Wells Fargo Bank				
Treasurer	Non-interest bearing checking	\$ 3,502,498	\$ -	\$ 3,502,498
Treasurer	Interest bearing savings	16,547,889	(3,500,502)	13,047,387
Treasurer	Interest bearing money market	10,460,904	-	10,460,904
General	Non-interest bearing checking	19,687	-	19,687
Housing Authority Accounts:				
Management	Non-interest bearing savings	1,487,960	563,521	2,051,481
Management	Non-interest bearing checking	863,821	-	863,821
Seybold Village - 21 Unit Low Rent	Non-interest bearing checking	555,823	(46)	555,777
Section 8 Voucher Program	Non-interest bearing checking	1,206,497	(28,949)	1,177,548
Section 8 Voucher Program	Non-interest bearing checking	280,483	-	280,483
Centro Familiar Trust	Non-interest bearing checking	249,635	-	249,635
Centro Familiar	Non-interest bearing checking	674,830	(233)	674,597
Sheriff's Accounts:				
Evidence Fund	Non-interest bearing checking	238,835	-	238,835
Investigative Fund	Non-interest bearing checking	28,311	-	28,311
Federal Narcotics	Non-interest bearing checking	491,159	(3,303)	487,856
Trust Accounts:				
Cafeteria account	Non-interest bearing checking	151,947	-	151,947
JYC Resident Trust	Non-interest bearing checking	1,229	-	1,229
MDC Inmate Trust	Non-interest bearing checking	1,002,292	-	1,002,292
Total bank and book balance		<u>37,763,800</u>	<u>(2,969,512)</u>	<u>34,794,288</u>
Guadalupe Credit Union	Certificate of Deposit	249,000	-	249,000
Rio Grande Credit Union	Certificate of Deposit	250,000	-	250,000
Southwest Capital Bank	Certificate of Deposit	1,000,000	-	1,000,000
Union Savings Bank	Certificate of Deposit	2,000,000	-	2,000,000
Multi-Bank Securities - Discover Bank	Certificate of Deposit	247,623	-	247,623
Multi-Bank Securities - Safra National Bank of New York	Certificate of Deposit	247,740	-	247,740
Multi-Bank Securities - Bank of Baroda	Certificate of Deposit	248,871	-	248,871
Multi-Bank Securities - Beal Bank USA	Certificate of Deposit	249,017	-	249,017
Multi-Bank Securities - Doral Bank	Certificate of Deposit	247,712	-	247,712
Multi-Bank Securities - Everbank	Certificate of Deposit	248,930	-	248,930
Multi-Bank Securities - First Bank of Puerto Rico	Certificate of Deposit	248,709	-	248,709
Multi-Bank Securities - Fifth Third Bank of Puerto Rico	Certificate of Deposit	248,701	-	248,701
Multi-Bank Securities - State Bank of India	Certificate of Deposit	248,933	-	248,933
Multi-Bank Securities - State Bank of India	Certificate of Deposit	248,998	-	248,998
Bank of Albuquerque				
Fannie Mae	Investment	4,525,050	-	4,525,050
Fannie Mae	Investment	4,740,900	-	4,740,900
Fannie Mae	Investment	4,554,550	-	4,554,550
Fannie Mae	Investment	4,554,550	-	4,554,550
Federal Farm Credit Bank	Investment	4,849,600	-	4,849,600
Federal Home Loan Bank	Investment	4,728,850	-	4,728,850
Federal Home Loan Bank	Investment	3,582,038	-	3,582,038
Federal Home Loan Bank	Investment	4,730,000	-	4,730,000
Federal Home Loan Bank	Investment	9,094,600	-	9,094,600
Federal Home Loan Bank	Investment	2,828,280	-	2,828,280
Federal Home Loan Bank	Investment	3,877,500	-	3,877,500
Freddie Mac	Investment	4,667,800	-	4,667,800
FTN Finacial				
Fannie Mae	Investment	1,285,878	-	1,285,878
Fannie Mae	Investment	4,622,350	-	4,622,350
Federal Farm Credit Bank	Investment	4,702,350	-	4,702,350
Federal Home Loan Bank	Investment	4,860,400	-	4,860,400
Federal Home Loan Bank	Investment	4,921,850	-	4,921,850
Government Perspectives, LLC				
Fannie Mae	Investment	4,832,300	-	4,832,300
Multi-Bank Securities, Inc.				
Federal Farm Credit Bank	Investment	4,751,300	-	4,751,300
Mutual Securities				
Fannie Mae	Investment	4,827,900	-	4,827,900
Fannie Mae	Investment	6,064,873	-	6,064,873
Federal Home Loan Bank	Investment	4,984,536	-	4,984,536
Federal Home Loan Bank	Investment	4,759,250	-	4,759,250
Federal Home Loan Bank	Investment	4,753,100	-	4,753,100
Federal Home Loan Bank	Investment	4,757,800	-	4,757,800

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF BANK ACCOUNTS
YEAR ENDED JUNE 30, 2013

Financial Institution: Account name	Type of Account	Bank Balance	(Checks) Deposits	Book Balance
Oppenheimer & Co., Inc.				
Fannie Mae	Investment	3,318,630	-	3,318,630
Fannie Mae	Investment	4,790,350	-	4,790,350
Fannie Mae	Investment	4,670,450	-	4,670,450
Fannie Mae	Investment	4,696,750	-	4,696,750
Fannie Mae	Investment	5,711,760	-	5,711,760
Fannie Mae	Investment	4,675,250	-	4,675,250
Federal Home Loan Bank	Investment	5,699,480	-	5,699,480
Federal Home Loan Bank	Investment	4,772,550	-	4,772,550
Federal Home Loan Bank	Investment	4,730,000	-	4,730,000
Federal Home Loan Bank	Investment	2,899,706	-	2,899,706
Federal Home Loan Bank	Investment	4,666,300	-	4,666,300
Federal Home Loan Bank	Investment	7,234,350	-	7,234,350
Federal Home Loan Bank	Investment	2,697,440	-	2,697,440
Federal Home Loan Bank	Investment	5,868,960	-	5,868,960
Freddie Mac	Investment	4,743,450	-	4,743,450
Shearson Financial Sevices, LLC				
Fannie Mae	Investment	4,841,150	-	4,841,150
Fannie Mae	Investment	8,969,000	-	8,969,000
Federal Farm Credit Bank	Investment	4,653,700	-	4,653,700
Federal Home Loan Bank	Investment	4,821,350	-	4,821,350
Federal Home Loan Bank	Investment	4,851,400	-	4,851,400
Federal Home Loan Bank	Investment	4,837,550	-	4,837,550
Federal Home Loan Bank	Investment	4,816,050	-	4,816,050
Sterne Agee & Leach, Inc.				
Fannie Mae	Investment	5,528,940	-	5,528,940
Fannie Mae	Investment	4,600,950	-	4,600,950
Federal Home Loan Bank	Investment	4,907,550	-	4,907,550
Vining Sparks				
Federal Farm Credit Bank	Investment	4,704,855	-	4,704,855
Bayern LB				
Flex Repo - Reserve	Investment	1,693,500	-	1,693,500
Unicredit Bank AG				
Flex Repo - Reserve	Investment	4,933,749	-	4,933,749
Portigon				
Flex Repo - Reserve	Investment	4,615,582	-	4,615,582
Flex Repo - Reserve	Investment	5,438,448	-	5,438,448
Total Investments		<u>268,231,039</u>		<u>268,231,039</u>
Petty Cash on Hand				<u>1,623</u>
Total cash and investments per Note IVA		<u>\$ 305,994,839</u>		<u>\$ 303,026,950</u>

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2013**

	<u>Cusip No.</u>	<u>Maturity Date</u>	
<u>Wells Fargo</u>			
Non-interest bearing checking accounts			\$ 9,267,046
Non-interest bearing savings accounts			1,487,960
Interest bearing savings accounts			16,547,889
Less FDIC Coverage			<u>(500,000)</u>
Uninsured balance			<u>26,802,895</u>
Collateral requirement at 50%			<u>13,401,448</u>
Collateral held at Wells Fargo Bank Northwest, Ogden, Utah:			
FN AB8820	31417FYS1	03/01/43	(73,150,249)
FN MA1208	31418AKW7	10/01/42	(82,321,807)
GN-II 3321	36202DVN8	12/01/32	(688,327)
GN-II 3321	36202DVN8	12/01/32	(1,230,627)
GN-II 3321	36202DVN8	12/01/32	(254,628)
GN-II 3321	36202DVN8	12/01/32	(881,097)
GN-II 4168	36202ETZ2	06/01/38	(566,939)
GN-II 3321	36202DVN8	12/01/32	(3,035,521)
GN-II 3321	36202DVN8	12/01/32	(28,878)
GN-II 3321	36202DVN8	12/01/32	(500,982)
GN-II 3321	36202DVN8	12/01/32	(1,517,719)
GN-II 3321	36202DVN8	12/01/32	<u>(286,093)</u>
			<u>(164,462,866)</u>
Uninsured and uncollateralized balance			<u>\$ -</u>
<u>Southwest Capital Bank</u>			
Certificate of Deposit			\$ 1,000,000
Less FDIC insurance			<u>(250,000)</u>
Uninsured balance			<u>750,000</u>
Collateralized requirement at 50% (Section 6-10-17)			<u>375,000</u>
Collateral held at Federal Home Loan Bank of Dallas/State Street Bank & Trust:			
Fannie Mae	3136G15G0	06/27/17	(493,774)
Uninsured balance			<u>\$ 256,226</u>
Uncollateralized balance			<u>\$ -</u>
<u>Gudalupe Credit Union</u>			
Certificate of Deposit			\$ 249,000
Less FDIC insurance			<u>(250,000)</u>
Uninsured balance			<u>\$ -</u>
<u>Rio Grande Credit Union</u>			
Certificate of Deposit			\$ 250,000
Less FDIC insurance			<u>(250,000)</u>
Uninsured balance			<u>\$ -</u>
<u>Union Savings Bank</u>			
Certificate of Deposit			\$ 2,000,000
Less FDIC insurance			<u>(250,000)</u>
Uninsured balance			<u>1,750,000</u>
Collateralized requirement at 102% (Section 6-10-17)			<u>1,785,000</u>
Collateral held for Bernalillo County by Federal Home Loan Bank of Dallas:			
899043 Seasoned 15 YR	31410VZG8	02/01/22	(258,884)
Fannie Mae - MA0054	31417YBY2	03/01/24	(296,404)
Ginnie Mae - 80790 JAN	36225C2Y1	12/20/33	(203,643)
Freddie Mac - PC J09929	3128PNA65	06/01/24	(279,365)
Fannie Mae - 256803 20 YR	31371NGL3	07/01/27	(407,441)
FHLMC Gold J10018	3128PPAT0	01/01/21	(319,369)
FN AO7732 Fannie Mae	3138LYSW8	06/01/42	<u>(408,453)</u>
			<u>(2,173,559)</u>
Uninsured and uncollateralized balance			<u>\$ -</u>
<u>Multi-Bank - State Bank of India</u>			
Certificate of Deposit			\$ 249,000
Less FDIC insurance			<u>(250,000)</u>
Uninsured balance			<u>\$ -</u>

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2013**

	<u>Cusip No.</u>	<u>Maturity Date</u>	
<u>Multi-Bank - State Bank of India</u>			
Certificate of Deposit			\$ 249,000
Less FDIC insurance			(250,000)
Uninsured balance			<u>\$ -</u>
<u>Multi-Bank - Beal Bank USA</u>			
Certificate of Deposit			\$ 249,000
Less FDIC insurance			(250,000)
Uninsured balance			<u>\$ -</u>
<u>Multi-Bank - Bank of Baroda</u>			
Certificate of Deposit			\$ 249,000
Less FDIC insurance			(250,000)
Uninsured balance			<u>\$ -</u>
<u>Multi-Bank - Everbank</u>			
Certificate of Deposit			\$ 249,000
Less FDIC insurance			(250,000)
Uninsured balance			<u>\$ -</u>
<u>Multi-Bank - Fifth Third Bank</u>			
Certificate of Deposit			\$ 249,000
Less FDIC insurance			(250,000)
Uninsured balance			<u>\$ -</u>
<u>Multi-Bank - Doral Bank</u>			
Certificate of Deposit			\$ 248,000
Less FDIC insurance			(250,000)
Uninsured balance			<u>\$ -</u>
<u>Multi-Bank - Safra National Bank</u>			
Certificate of Deposit			\$ 248,000
Less FDIC insurance			(250,000)
Uninsured balance			<u>\$ -</u>
<u>Multi-Bank - First Bank of Puerto Rico</u>			
Certificate of Deposit			\$ 249,000
Less FDIC insurance			(250,000)
Uninsured balance			<u>\$ -</u>
<u>Multi-Bank - Discover Bank</u>			
Certificate of Deposit			\$ 248,000
Less FDIC insurance			(250,000)
Uninsured balance			<u>\$ -</u>
<u>UniCredit Bank AG</u>			
Repurchase Agreement			\$ 4,933,749
Uninsured balance			4,933,749
Collateral requirement at 102%			<u>5,032,424</u>
Collateral held at The Bank of New York Mellon, New York, NY as Tri-Party Custodian			
1 7/8 Note N 15	912828NL0	06/30/15	(3,118)
2 3/8 Note S 14	912828LS7	10/31/14	(5,036,365)
			<u>(5,039,483)</u>
Uninsured and uncollateralized balance			<u>\$ -</u>
<u>Portigon</u>			
Repurchase Agreement			\$ 4,615,582
Repurchase Agreement			5,438,448
Uninsured balance			<u>10,054,030</u>
Collateral requirement at 102%			<u>10,255,111</u>
Collateral held at Well Fargo Bank, Minneapolis, MN:			
Ginne Mae	38373WHY7	03/16/32	(474,447)
Ginne Mae	38374LCH2	05/20/35	(5,026,768)
Ginne Mae	38374LFZ9	06/16/35	(1,033,757)
Ginne Mae	38374LV40	08/16/35	(281,048)
Ginne Mae	38375LT59	11/20/37	(3,872,796)
			<u>(10,688,816)</u>
Uninsured and uncollateralized balance			<u>\$ -</u>
<u>Bavarn LB</u>			
Repurchase Agreement			\$ 1,693,500
Collateral requirement at 102%			<u>1,727,370</u>
Collateral held at Wells Fargo Bank, Minneapolis, MN:			
United States Dept Veterans Affairs	911760SL1	12/15/30	(1,937,950)
			<u>(1,937,950)</u>
Uninsured and uncollateralized balance			<u>\$ -</u>
Total uninsured balance			<u>\$ 256,226</u>
Total uncollateralized balance			<u>\$ -</u>

**COUNTY OF BERNALILLO, NEW MEXICO
TAX ROLL RECONCILIATION
June 30, 2013**

Property tax receivable, beginning of year	\$ 54,131,170
Changes to Tax Roll:	
Net taxes charged to Treasurer for fiscal year 2013 (Tax Year 2012)	603,130,884
Adjustments:	
Increase in taxes receivable	386,873
Charge off of taxes receivable	(2,986,484)
Increase in Cost to State	80,512
Increase in interest and penalties to State of NM	628,862
Increase in interest to County	3,114,647
Increase in penalties to County	1,301,362
Increase in interest to MRGCD	74,509
Increase in penalties to MRGCD	29,991
Elimination of tax year 2002	(884,505)
Total receivables prior to collections	<u>659,007,822</u>
Collections for fiscal year ended June 30, 2013 (Tax Years 2003-2012)	(608,297,576)
Collections for fiscal year ended June 30, 2013 (Tax Year 2002)	(2,647)
Property taxes receivable, end of year	<u>\$ 50,707,598</u>

Property Taxes receivable by years:

2003	\$ 661,374
2004	717,441
2005	776,323
2006	764,334
2007	1,056,272
2008	2,039,814
2009	9,233,520
2010	5,209,366
2011	9,376,851
2012	<u>20,872,303</u>
Total taxes receivable	<u>\$ 50,707,598</u>

COUNTY OF BERNALILLO, NEW MEXICO
PROPERTY TAX SCHEDULE
JUNE 30, 2013

Agency	Years	Property Taxes Levied	Collected in Current Year	Collected To-Date	MRGCD INT/PEN	MRGCD MRGTX	Re-Appraisal Fee	Distributed in Current Year	Distributed To-Date	Current Amount Deemed Uncollectible	To-Date Amount Uncollected	Undistributed at Year End	County Receivable at Year End
STATE													
STATE DEBT SERVICE	2003-2011	\$ 145,463,307.00	\$ 739,221.00	\$ 144,506,838.00	\$ -	\$ -	\$ 1,444,302.00	\$ 731,836.00	\$ 143,062,537.00	\$ 101,823.00	\$ 956,469.00	\$ 1,444,301.00	\$ 85,646.00
STATE DEBT SERVICE	2012	19,542,794	18,861,027	18,861,027	-	-	188,552	18,672,475	18,672,475	13,680	681,767	188,552	668,087
Total State Debt Service		165,006,101	19,600,248	163,367,865	-	-	1,632,854	19,404,311	161,735,012	115,503	1,638,236	1,632,853	1,522,733
TOTAL STATE		165,006,101	19,600,248	163,367,865	-	-	1,632,854	19,404,311	161,735,012	115,503	1,638,236	1,632,853	1,522,733
COUNTY													
COUNTY REAPPRAISAL FUN	2003-2011	-	-	-	-	-	-	-	41,530,490	-	-	(41,530,490)	-
COUNTY REAPPRAISAL FUN	2012	-	-	-	-	-	-	-	5,338,285	-	-	(5,338,285)	-
Total County Reappraisal Fund		-	-	-	-	-	-	-	46,868,775	-	-	(46,868,775)	-
COUNTY JUDGEMENT	2003-2011	3,538,501	7,350	3,525,060	-	-	35,248	7,277	3,489,812	2,477	13,441	35,248	10,964
COUNTY JUDGEMENT	2012	186,735	180,234	180,234	-	-	1,802	178,431	178,431	131	6,501	1,803	6,370
Total County Judgement		3,725,236	187,584	3,705,294	-	-	37,050	185,708	3,668,243	2,608	19,942	37,051	17,334
COUNTY OPEN SPACE	2003-2011	17,699,461	54,092	17,615,176	-	-	176,151	53,551	17,439,024	12,390	84,285	176,152	71,895
COUNTY OPEN SPACE	2012	308	306	306	-	-	3	303	303	-	2	3	2
Total County Open Space		17,699,769	54,398	17,615,482	-	-	176,154	53,854	17,439,327	12,390	84,287	176,155	71,897
COUNTY DEBT SERVICE	2003-2011	92,868,770	425,831	92,265,181	-	-	922,653	421,571	91,342,529	65,010	603,589	922,652	538,579
COUNTY DEBT SERVICE	2012	12,884,681	12,436,115	12,436,115	-	-	124,361	12,311,754	12,311,754	9,019	448,566	124,361	439,547
Total County Debt Service		105,753,451	12,861,946	104,701,296	-	-	1,047,014	12,733,325	103,654,283	74,029	1,052,155	1,047,013	978,126
COUNTY OPERATIONAL	2003-2011	868,347,175	4,598,672	862,310,141	-	-	8,623,103	4,552,685	853,687,039	607,843	6,037,034	8,623,102	5,429,191
COUNTY OPERATIONAL	2012	117,168,415	112,843,625	112,843,625	-	-	1,128,436	111,715,188	111,715,188	82,018	4,324,790	1,128,437	4,242,772
Total County Operational		985,515,590	117,442,297	975,153,766	-	-	9,751,539	116,267,873	965,402,227	689,861	10,361,824	9,751,539	9,671,963
TOTAL COUNTY		1,112,694,046	130,546,225	1,101,175,838	-	-	11,011,757	129,240,760	1,137,032,855	778,888	11,518,208	(35,857,017)	10,739,320
ALBUQUERQUE													
ABQ DEBT SERVICE	2003-2011	625,017,573	1,988,321	622,067,847	-	-	6,220,677	1,968,436	615,847,169	437,512	2,949,726	6,220,678	2,512,214
ABQ DEBT SERVICE	2012	58,961,358	57,169,105	57,169,105	-	-	571,691	56,597,414	56,597,414	41,273	1,792,253	571,691	1,750,980
Total ABQ Debt Service		683,978,931	59,157,426	679,236,952	-	-	6,792,368	58,565,850	672,444,583	478,785	4,741,979	6,792,369	4,263,194
ABQ OPERATIONAL	2003-2011	420,237,955	2,508,869	417,077,015	-	-	4,170,770	2,483,780	412,906,245	294,167	3,160,940	4,170,770	2,866,773
ABQ OPERATIONAL	2012	77,540,821	75,183,807	75,183,807	-	-	751,838	74,431,969	74,431,969	54,279	2,357,014	751,838	2,302,735
Total ABQ Operational		497,778,776	77,692,676	492,260,822	-	-	4,922,608	76,915,749	487,338,214	348,446	5,517,954	4,922,608	5,169,508
TOTAL ALBUQ		1,181,757,707	136,850,102	1,171,497,774	-	-	11,714,976	135,481,599	1,159,782,797	827,231	10,259,933	11,714,977	9,432,702
TIJERAS													
TIJERAS OPERATIONAL	2003-2011	106,500	2,196	104,769	-	-	1,049	2,175	103,721	75	1,731	1,048	1,656
TIJERAS OPERATIONAL	2012	15,004	13,544	13,544	-	-	135	13,409	13,409	11	1,460	135	1,449
Total Tijeras Operational		121,504	15,740	118,313	-	-	1,184	15,584	117,130	86	3,191	1,183	3,105
TOTAL TIJERAS		121,504	15,740	118,313	-	-	1,184	15,584	117,130	86	3,191	1,183	3,105
CORRALES													
CORRALES DEBT SERVICE	2003-2011	23,568	-	23,549	-	-	235	-	23,313	17	19	236	2
CORRALES DEBT SERVICE	2012	-	-	-	-	-	-	-	-	-	-	-	-
Total Corrales Debt Service		23,568	-	23,549	-	-	235	-	23,313	17	19	236	2

COUNTY OF BERNALILLO, NEW MEXICO
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Agency	Years	Property Taxes Levied	Collected in Current Year	Collected To-Date	MRGCD INT/PEN	MRGCD MRGTX	Re-Appraisal Fee	Distributed in Current Year	Distributed To-Date	Current Amount Deemed Uncollectible	To-Date Amount Uncollected	Undistributed at Year End	County Receivable at Year End
CORRALES OPERATIONAL	2003-2011	99,172	-	99,055	-	-	990	-	98,065	69	117	990	48
CORRALES OPERATIONAL	2012	-	-	-	-	-	-	-	-	-	-	-	-
Total Corrales Operational		99,172	-	99,055	-	-	990	-	98,065	69	117	990	48
TOTAL CORRALES		122,740	-	122,604	-	-	1,225	-	121,378	86	136	1,226	50
RIO RANCHO													
RIO RANCHO DEBT SERVICE	2003-2011	132,836	105	132,501	-	-	1,326	104	131,176	93	335	1,325	242
RIO RANCHO DEBT SERVICE	2012	12,608	12,486	12,486	-	-	125	12,361	12,361	9	122	125	113
Total Rio Rancho Debt Service		145,444	12,591	144,987	-	-	1,451	12,465	143,537	102	457	1,450	355
RIO RANCHO OPERATIONAL	2003-2011	260,912	218	260,271	-	-	2,603	215	257,668	182	641	2,603	459
RIO RANCHO OPERATIONAL	2012	40,225	39,836	39,836	-	-	398	39,438	39,438	28	389	398	361
Total Rio Rancho Operational		301,137	40,054	300,107	-	-	3,001	39,653	297,106	210	1,030	3,001	820
TOTAL RIO RANCHO		446,581	52,645	445,094	-	-	4,452	52,118	440,643	312	1,487	4,451	1,175
LOS RANCHOS													
LOS RANCHOS DEBT SERVICE	2003-2011	1,033,525	8,275	1,023,796	-	-	10,239	8,190	1,013,559	725	9,729	10,237	9,004
LOS RANCHOS DEBT SERVICE	2012	223,434	216,318	216,318	-	-	2,163	214,155	214,155	156	7,116	2,163	6,960
Total Los Ranchos Debt Service		1,256,959	224,593	1,240,114	-	-	12,402	222,345	1,227,714	881	16,845	12,400	15,964
TOTAL LOS RANCHOS		1,256,959	224,593	1,240,114	-	-	12,402	222,345	1,227,714	881	16,845	12,400	15,964
SCHOOL APS													
APS ED TECH DEBT SERVICE	2003-2011	4,152,487	87,846	4,086,775	-	-	40,868	86,968	4,045,907	2,907	65,712	40,868	62,805
APS ED TECH DEBT SERVICE	2012	12,830,125	12,384,467	12,384,467	-	-	123,845	12,260,622	12,260,622	8,981	445,658	123,845	436,677
Total APS ED tech debt service		16,982,612	12,472,313	16,471,242	-	-	164,713	12,347,590	16,306,529	11,888	511,370	164,713	499,482
APS HB33 SCHOOL BLDG	2003-2011	448,213,487	2,171,892	445,265,185	-	-	4,452,651	2,150,173	440,812,531	313,751	2,948,302	4,452,654	2,634,551
APS HB33 SCHOOL BLDG	2012	57,098,591	55,083,350	55,083,350	-	-	550,834	54,532,516	54,532,516	39,969	2,015,241	550,834	1,975,272
Total APS HB33 School Bldg		505,312,078	57,255,242	500,348,535	-	-	5,003,485	56,682,689	495,345,047	353,720	4,963,543	5,003,488	4,609,823
APS CAP IMPROVEMENT	2003-2011	223,688,471	1,059,955	222,239,819	-	-	2,222,399	1,049,358	220,017,419	156,580	1,448,652	2,222,400	1,292,072
APS CAP IMPROVEMENT	2012	28,547,228	27,555,754	27,555,754	-	-	275,557	27,280,197	27,280,197	19,983	991,474	275,557	971,491
Total APS Cap Improvement		252,235,699	28,615,709	249,795,573	-	-	2,497,956	28,329,555	247,297,616	176,563	2,440,126	2,497,957	2,263,563
APS DEBT SERVICE	2003-2011	387,992,231	2,189,144	385,087,611	-	-	3,850,877	2,167,254	381,236,735	271,595	2,904,620	3,850,876	2,633,025
APS DEBT SERVICE	2012	48,760,517	47,067,070	47,067,070	-	-	470,671	46,596,399	46,596,399	34,132	1,693,447	470,671	1,659,315
Total APS Debt Service		436,752,748	49,256,214	432,154,681	-	-	4,321,548	48,763,653	427,833,134	305,727	4,598,067	4,321,547	4,292,340
APS OPERATIONAL	2003-2011	35,528,002	198,412	35,272,569	-	-	352,724	196,428	34,919,843	24,870	255,433	352,726	230,563
APS OPERATIONAL	2012	4,777,727	4,596,331	4,596,331	-	-	45,963	4,550,368	4,550,368	3,344	181,396	45,963	178,052
Total APS Operational		40,305,729	4,794,743	39,868,900	-	-	398,687	4,746,796	39,470,211	28,214	436,829	398,689	408,615
TOTAL SCHOOL APS		1,251,588,866	152,394,221	1,238,638,931	-	-	12,386,389	150,870,283	1,226,252,537	876,112	12,949,935	12,386,394	12,073,823
SCHOOL 08													
SD 08 CAP IMPROVEMENT	2003-2011	1,715	-	1,715	-	-	18	-	1,699	-	-	16	-
SD 08 CAP IMPROVEMENT	2012	122	122	122	-	-	1	120	120	-	-	2	-
Total School 08 Improvement		1,837	122	1,837	-	-	19	120	1,819	-	-	18	-
SD 08 DEBT SERVICE	2003-2011	7,017	-	7,017	-	-	70	-	6,945	7	-	72	(7)
SD 08 DEBT SERVICE	2012	498	498	498	-	-	5	493	493	-	-	5	-
Total School 08 Debt Service		7,515	498	7,515	-	-	75	493	7,438	7	-	77	(7)

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SD 08 OPERATIONAL	2003-2011	423	-	423	-	-	3	-	419	-	-	4	-
SD 08 OPERATIONAL	2012	30	30	30	-	-	-	30	30	-	-	-	-
Total School 08 Operational		453	30	453	-	-	3	30	449	-	-	4	-
TOTAL SCHOOL 08		9,805	650	9,805	-	-	97	643	9,706	7	-	99	(7)
SCHOOL 24													
SD 24 CAP IMPROVEMENT	2003-2011	1,292,014	7,902	1,279,428	-	-	12,794	7,822	1,266,630	905	12,586	12,798	11,681
SD 24 CAP IMPROVEMENT	2012	181,036	172,363	172,363	-	-	1,724	170,640	170,640	127	8,673	1,723	8,546
Total SD 24 Cap Improvement		1,473,050	180,265	1,451,791	-	-	14,518	178,462	1,437,270	1,032	21,259	14,521	20,227
SD 24 DEBT SERVICE	2003-2011	5,365,026	35,056	5,310,058	-	-	53,101	34,706	5,256,957	3,755	54,968	53,101	51,213
SD 24 DEBT SERVICE	2012	741,264	705,753	705,753	-	-	7,058	698,695	698,695	519	35,511	7,058	34,992
Total SD 24 Debt Service		6,106,290	740,809	6,015,811	-	-	60,159	733,401	5,955,652	4,274	90,479	60,159	86,205
SD 24 OPERATIONAL	2003-2011	243,023	1,687	240,340	-	-	2,403	1,669	237,936	171	2,683	2,404	2,512
SD 24 OPERATIONAL	2012	34,690	32,877	32,877	-	-	329	32,549	32,549	24	1,813	328	1,789
Total SD 24 Operational		277,713	34,564	273,217	-	-	2,732	34,218	270,485	195	4,496	2,732	4,301
TOTAL SCHOOL 24		7,857,053	955,638	7,740,819	-	-	77,409	946,081	7,663,407	5,501	116,234	77,412	110,733
CNM													
CNM DEBT SERVICE	2003-2011	61,680,426	291,508	61,281,301	-	-	-	291,508	61,281,301	43,176	399,125	-	355,949
CNM DEBT SERVICE	2012	7,850,488	7,577,833	7,577,833	-	-	-	7,577,833	7,577,833	5,495	272,655	-	267,160
Total CNM Debt Service		69,530,914	7,869,341	68,859,134	-	-	-	7,869,341	68,859,134	48,671	671,780	-	623,109
CNM	2003-2011	296,399,537	1,490,004	294,413,038	-	-	-	1,490,004	294,413,038	207,479	1,986,499	-	1,779,020
CNM	2012	40,670,234	39,243,615	39,243,615	-	-	-	39,243,615	39,243,615	28,469	1,426,619	-	1,398,150
Total CNM		337,069,771	40,733,619	333,656,653	-	-	-	40,733,619	333,656,653	235,948	3,413,118	-	3,177,170
TOTAL CNM		406,600,685	48,602,960	402,515,787	-	-	-	48,602,960	402,515,787	284,619	4,084,898	-	3,800,279
UNMH													
UNMH	2003-2011	724,714,021	3,419,780	720,027,004	-	-	7,200,272	3,385,585	712,826,733	507,301	4,687,017	7,200,271	4,179,716
UNMH	2012	91,930,836	88,730,365	88,730,365	-	-	887,304	87,843,062	87,843,062	64,352	3,200,471	887,303	3,136,119
Total UNMH		816,644,857	92,150,145	808,757,369	-	-	8,087,576	91,228,647	800,669,795	571,653	7,887,488	8,087,574	7,315,835
TOTAL UNMH		816,644,857	92,150,145	808,757,369	-	-	8,087,576	91,228,647	800,669,795	571,653	7,887,488	8,087,574	7,315,835

COUNTY OF BERNALILLO, NEW MEXICO
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AMAFCA													
AFC DEBT	2003-2011	73,034,065	343,057	72,568,696	-	-	725,686	339,626	71,843,009	51,125	465,369	725,687	414,244
AFC DEBT	2012	9,293,913	8,974,921	8,974,921	-	-	89,749	8,885,171	8,885,171	6,506	318,992	89,750	312,486
Total AFC Debt		82,327,978	9,317,978	81,543,617	-	-	815,435	9,224,797	80,728,180	57,631	784,361	815,437	726,730
AFC OPERATIONAL													
AFC OPERATIONAL	2003-2011	27,392,714	161,067	27,193,442	-	-	271,934	159,457	26,921,506	19,175	199,272	271,936	180,097
AFC OPERATIONAL	2012	3,548,190	3,407,055	3,407,055	-	-	34,071	3,372,985	3,372,985	2,484	141,135	34,070	138,651
Total AFC Operational		30,940,904	3,568,122	30,600,497	-	-	306,005	3,532,442	30,294,491	21,659	340,407	306,006	318,748
TOTAL AMAFCA		113,268,882	12,886,100	112,144,114	-	-	1,121,440	12,757,239	111,022,671	79,290	1,124,768	1,121,443	1,045,478
MRGCD													
MRGCD	2003-2011	73,652,159	533,938	73,076,620	807,848	729,608	724,616	608,768	72,430,244	51,555	575,539	724,616	523,984
MRGCD	2012	8,626,987	8,114,846	8,114,846	18,012	81,148	80,337	7,971,372	7,971,372	6,039	512,141	80,337	506,102
Total MRGCD		82,279,146	8,648,784	81,191,466	825,860	810,756	804,953	8,580,140	80,401,616	57,594	1,087,680	804,953	1,030,086
TOTAL MRGCD		82,279,146	8,648,784	81,191,466	825,860	810,756	804,953	8,580,140	80,401,616	57,594	1,087,680	804,953	1,030,086
EDGE SW													
ESWCD	2003-2011	1,084,520	6,360	1,073,058	-	-	10,730	6,298	1,062,339	759	11,462	10,719	10,703
ESWCD	2012	140,394	133,297	133,297	-	-	1,333	131,964	131,964	98	7,097	1,333	6,999
Total ESWCD		1,224,914	139,657	1,206,355	-	-	12,063	138,262	1,194,303	857	18,559	12,052	17,702
TOTAL EDGE SW		1,224,914	139,657	1,206,355	-	-	12,063	138,262	1,194,303	857	18,559	12,052	17,702
GRAND TOTAL		\$ 5,140,879,846.00	\$ 603,067,708.00	\$ 5,090,172,248.00	\$ 825,860.00	\$ 810,756.00	\$ 46,868,777.00	\$ 597,540,972.00	\$ 5,090,187,351.00	\$ 3,598,620.00	\$ 50,707,598.00	\$ -	\$ 47,108,978.00

COUNTY OF BERNALILLO, NEW MEXICO
 JOINT POWERS AGREEMENTS
 JUNE 30, 2013

Participants	Responsible Party	Description	Beginning Date	Ending Date	Project Amount	County Portion	Current Year Contributions	Audit Responsibility
City of Albuquerque Board of Education	Bernalillo County	Rio Grande Swimming Pool - Construction and Maintenance	1976	4/6/2051	\$680,000	\$250,000	\$59,338.30	Bernalillo County
City of Albuquerque	Both Parties	CCN 76-0008 Child Abuse Council CCN 83-0017	1983	90-Day Notice	Not specified	Not specified	Unknown	City of Albuquerque
Village of Tijeras	Bernalillo County	Animal Control Services CCN 84-0043	1984	30-Day Notice	Varies Yearly	Not specified	Unknown	Not specified
City of Albuquerque Village of Los Ranchos Village of Tijeras	City of Albuquerque	Albuquerque/Bernalillo County Board of Aging CCN 84-0099	1984	6-Month Notice	Not specified	Not specified	Unknown	City of Albuquerque
City of Albuquerque	Both Parties	Law Enforcement Center CCN 86-0063 & 88-0161	1986	6-Month Notice	Not specified	Varies yearly	Unknown	Both Parties
New Mexico County Insurance Authority	Board of Directors	Workers Compensation Fund CCN 87-0034	1987	Indefinite	Varies yearly	Unknown	\$698,081	Board of Directors
New Mexico County Insurance Authority	Board of Directors	Multi-line Self-Insurance Fund CCN 92-0424	1989	Indefinite	Varies yearly	Unknown	\$4,235,618	Board of Directors
City of Albuquerque	City of Albuquerque	Motor Vehicle Emissions Inspection Maintenance Program CCN 87-0121	1987	180-Day Notice	Varies yearly	20% of city's yearly project budget	Unknown	Both Parties
City of Albuquerque	City of Albuquerque	Development/Maintenance of A Emergency Response Plan CCN 90-0207	1988	30-Day Notice	Varies yearly	25% of city's annual approved project budget	Unknown	Both Parties
City of Albuquerque	City of Albuquerque	City/County Building CCN 1989-0174 CCN 2006-0693 & 2011-0733 CCN 2013-0598	2006	Indefinite	Not specified	Annual Rent Utilities	\$958,925	Both Parties
City of Albuquerque	Both Parties	Emergency Medical Services CCN 1991-0239	1991	180-Day Notice	Varies yearly	Varies yearly	Unknown	Both Parties
NM Energy, Minerals, And Natural Resources Department	Bernalillo County	Administer Federal Land and Water Conservation Fund Act Maintain Park in Tijeras CCN 1992-0178	1992	10-Day Written Notice	\$17,000	Maintain park Property and Buildings.	Unknown	EMNRD, DFA State Auditor
City of Albuquerque Commissioner of Public Lands for NM AMAFCA	Commissioner of Public Lands for New Mexico	South Eubank Landfill Stabilization CCN 93-0367	1993	Silent	Not specified	Not to exceed \$200,000	Unknown	Not specified
Village of Tijeras	Bernalillo County	East Mountain Transfer Station CCN 93-0130	1993	30-Day Notice	Not specified	Maintain Transfer Station In safe Condition	\$0	Both Parties

JOINT POWERS AGREEMENTS

JUNE 30, 2013

Participants	Responsible Party	Description	Beginning Date	Ending Date	Project Amount	County Portion	Current Year Contributions	Audit Responsibility
City of Albuquerque AMAFCA	Both Parties	Flood Damage Prevention CCN 93-0451 & 95-0191	1993	30-Day Notice	Not specified	Half of the costs	Unknown	Both Parties
City of Rio Rancho City of Albuquerque Village of Tijeras Village of Los Ranchos	All Parties	Unified Library System CCN 93-0516 & 2003-0589 & 2006-0421 & 2012-0069	1993	60-Day Notice	Not specified	Not specified	\$1,452,231	All Parties
City of Bernalillo	Bernalillo County	Summer Lunch Program CCN 95-0215	1995	90-Day Notice	Varies yearly	Administer Program	\$0	Bernalillo County
New Mexico Highway And Transportation Department	Both Parties	Alameda Boulevard Landscaping Maintenance CCN 1995-0531	1995	Indefinite	\$1,250,000	Maintenance services	Unknown	Not specified
City of Albuquerque Village of Los Ranchos, Village of Tijeras	City of Albuquerque	Conduct of Community Programs on Aging CCN 1995-0739	1995	90-Day Notice	Not specified	Not specified	Unknown	City of Albuquerque
City of Albuquerque	Both Parties	Joint Metropolitan Forensic Services Center CCN 1999-0226, 2005-0688	1999	90-Day Notice	\$12,000,000	Varies yearly	\$0	City of Albuquerque
AMAFCA New Mexico State Highway Department	AMAFCA Bernalillo County	2nd Street-Pueblo Solano, Pueblo Luna, and Ortega Drain Outfall CCN 1999-0528	2000	30-Day Notice	Not specified	Maintenance of drainage improve- ments	Unknown	Not specified
NM Energy, Minerals & Natural Resources Department	Both Parties	Mobilization of Wildland Fire Protection & Resources CCN 2000-0071	2000	30-Day Notice	Not specified	Not specified	Unknown	Both Parties, DFA, State Auditor
New Mexico State Highway & Transportation Department Pueblo of Sandia	Bernalillo County	Traffic Signal at Intersection NM 556 CCN 2001-0114	2000	Indefinite	Not specified	Not specified	Unknown	Not specified
NM Regulation & Licensing Department And Construction Industries Division	Bernalillo County	Regulation of Public Buildings Within Geographical Boundary Of NMPS CCN 2001-0164	2001	30-Day Notice	Not specified	Not specified	Unknown	Independent accreditation agency
City of Albuquerque	Both Parties	Metropolitan Criminal Justice Services Coordinating Council MCJJC CCN 2003-0385	1999	90-Day Notice	Not specified	Not specified	Unknown	Both Parties, DFA, State Auditor
City of Albuquerque and Albuquerque-Bernalillo Water Utility Authority	City of Albuquerque	Set forth the procedures for the Issuance of revenue bonds or Other obligations needed to Finance the utility capital needs CCN 2003-0673	2/25/2004	By consent of Parties.	Various	None	None	City of Albuquerque

COUNTY OF BERNALILLO, NEW MEXICO
 JOINT POWERS AGREEMENTS
 JUNE 30, 2013

Participants	Responsible Party	Description	Beginning Date	Ending Date	Project Amount	County Portion	Current Year Contributions	Audit Responsibility
New Mexico Energy, Minerals and Natural Resource	Bernalillo County And EMNRD	Suppression of wildfires on State and non-municipal Private lands CCN 2004-0003 & CCN 2009-0775	12/13/2004	30-Day Written Notice	Not specified	Unknown	Unknown	EMNRD
Hubbell House Alliance	Bernalillo County And Hubbell House Alliance	Improvements, maintenance, And education for history Of Hubbell House and Property CCN 2004-0166	4/21/2004	60-Day Notice	Not Specified	None	None	Hubbell House Alliance
City of Albuquerque Bernalillo County Water Utility Authority	City of Albuquerque Bernalillo County Water Utility Authority	City, County & Authority Have right-of-way eminent Domain powers CCN2004-0692	9/22/2004	Indefinite	Not Specified	Unknown	Unknown	All Parties
City of Albuquerque	Bernalillo County	Effectuate Admin. Efficiency Of Public Buildings CCN 2005-0117	4/12/2005	Indefinite	Not Specified	None	Unknown	Bernalillo County
Valencia County	Bernalillo County	Assist Valencia in developing, implementing, and operating a juvenile Community custody program CCN 2007-0430	6/26/2007	30 day notice	unknown	unknown	None	All Parties
Sandoval County	Bernalillo County	Operation of Regional Juvenile Detention Center CCN 2007-0432	6/27/2007	6 month notice	Unknown	Unknown	Unknown	Bernalillo County
New Mexico Children, Youth, and Families Department	Bernalillo County	Active collaboration between Parties in supporting and Implementing the Juvenile Detention Alternatives Initiative CCN2007-0560	10/21/2007	30-Day Notice	Not Specified	Unknown	\$0	All Parties
New Mexico Dept. of Public Safety/New Mexico State Police	Bernalillo County Communications	Upgrade E911 equipment at DPS and PSAP to handle Wireless calls CCN2007-0608 & CCN 2010-011	12/27/2007	60-Day Notice.	\$670,239	Unknown	\$0	Bernalillo County
New Mexico Energy, Minerals and Natural Resources Dept	Bernalillo County Open Space	Provide use of inmate crews To perform natural resource Improvements and vocational Training for inmates CCN2008-0106	3/20/2008	10-Day Notice.	Unknown	Unknown	\$0	Bernalillo County

COUNTY OF BERNALILLO, NEW MEXICO
 JOINT POWERS AGREEMENTS
 JUNE 30, 2013

Participants	Responsible Party	Description	Beginning Date	Ending Date	Project Amount	County Portion	Current Year Contributions	Audit Responsibility
Village of Los Ranchos	Bernalillo County	Residential & commercial construction within the geographical boundaries of the Village CCN2009-0722	11/24/2009	30- Day Written Notice	Unknown	Unknown	\$0	Bernalillo County
Village of Los Ranchos	Bernalillo County	Provision of Fire Protection and EMS ser Los Ranchos CCN2009-0669	9/9/2009	60 -day Written Notice	Unknown	None	\$440,000	Bernalillo County
Village of Los Ranchos	Bernalillo County	Share resources and responsibility in public safety issues within the Village of Los Ranchos	6/28/2011	90-Day Written Notice	Unknown	None	\$10,000	Bernalillo county
Hubbell House Alliance	Bernalillo County	Use, support and develop the Gutierrez Hubbell House Property CCN 2010-0034	2/26/2010	2/26/2014	Unknown	Unknown	\$0	Bernalillo County
Regents of the University of New Mexico	Bernalillo County	Sobriety Observation Program CCN 2013-0152	1/16/2013	6/30/2017	\$400,000	\$296,000	\$296,000	Bernalillo County
NM Secretary of State	Bernalillo County	Funding 2012 General Election Demand system and election Materials CCN 2013-0025	5/1/2013	6/30/2014	\$493,179.22	None	\$0	Bernalillo County
City of Albuquerque	Bernalillo County	Renovation and Use of the John Marshall Health & Social Svc Center Kitchen CCN 2013-051	4/16/2013	30-Day Written Notice	Unknown	\$38,000	\$38,000	Bernalillo County
City of Albuquerque	Bernalillo County	Fire Station 27 deed transfer From Bernalillo County to City of Albuquerque CCN-0017	12/1/2012	3/31/2013	Unknown	None	\$0	Bernalillo County
Sandoval County	Bernalillo County	Sandoval County shall accept And detain, on a space Available basis inmates delivered to SCDC for Incarceration CCN 2013-0336	6/6/2013	60-Day Written Notice	Unknown	None	\$0	Bernalillo County
New Mexico Highland University	Bernalillo County	DWI treatment program CCN2012-0354	7/1/2012	6/30/2013	\$450,000	\$450,000	\$450,000	Bernalillo County
NM Department of Health	Bernalillo County	Medically monitored detox Program CCN 2012-0602	9/1/2012	6/30/2014	1,466,668	1,466,668	600,000	Bernalillo County

JOINT POWERS AGREEMENTS

JUNE 30, 2013

Participants	Responsible Party	Description	Beginning Date	Ending Date	Project Amount	County Portion	Current Year Contributions	Audit Responsibility
City of Albuquerque Police Department	Bernalillo County	DWI Check Points CCN 2012-0863	7/1/2012	6/30/2013	\$80,025	\$80,025	\$80,025	Bernalillo County
Second Judicial District Court	Bernalillo County	Pretrial & other identified Services for MDC CCN 2012-0555	7/1/2012	6/30/2013	\$1,500,000	\$1,500,000	1,500,000	Bernalillo County
Second Judicial District Court	Bernalillo County	Out –of-custody supervision Of defendants suffering from Mental disorders CCN-0433	7/1/2012	6/30/2013	\$110,439	\$110,439	\$110,439	Bernalillo County
Second Judicial District Court	Bernalillo County	Improved felony case flow, Thereby reducing the MDC Inmate population CCN 2012-0436	7/1/2012	6/30/2013	\$74,780	\$74,780	\$74,780	Bernalillo County
Second Judicial District Court	Bernalillo County	Background investigations And determine pretrial release Eligibility CCN 2012-0437	7/1/2012	6/30/2013	\$552,951	\$552,951	\$552,951	Bernalillo County
Second Judicial District Court	Bernalillo County	Support of the Probation Violation Court Docket CCN 2012-0438	7/1/2012	6/30/2013	\$38,022	\$38,022	\$38,022	Bernalillo County
University of NM	Bernalillo County	Services provided by its Institute for Social Research CCN 2012-0439	7/1/2012	6/30/2013	\$56,000	\$56,000	\$56,000	Bernalillo County
Second Judicial District Court	Bernalillo County	Contract a Civil Commitment Attorney CCN 2012-0428	7/1/2012	6/30/2013	\$27,600	\$27,600	\$27,600	Bernalillo County
Second Judicial District Court	Bernalillo County	Contract Senior Trial Attorney CCN 2012-0429	7/1/2012	6/30/2013	\$233,100	\$233,100	\$233,100	Bernalillo County
Second Judicial District Public Defender	Bernalillo County	Fund and provide a video Conference link CCN 2012-0432	7/1/2012	6/30/2013	\$162,688	\$162,688	\$162,688	Bernalillo County

COUNTY OF BERNALILLO, NEW MEXICO
 AGENCY FUNDS
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
TREASURER				
CHILDREN'S TRUST FUND				
ASSETS				
Cash and investments	\$ -	\$ 142,981	\$ 142,981	\$ -
Total assets	<u>-</u>	<u>142,981</u>	<u>142,981</u>	<u>-</u>
LIABILITIES				
Other Liabilities	3,814	3,439	3,814	3,439
Deposits held in trust for others	(3,814)	139,542	139,167	(3,439)
Total liabilities	<u>-</u>	<u>142,981</u>	<u>142,981</u>	<u>-</u>
TREASURER				
REFUND OVERPAYMENTS FUND				
ASSETS				
Cash and investments	3,405,238	7,269,558	6,869,369	3,805,427
Total assets	<u>3,405,238</u>	<u>7,269,558</u>	<u>6,869,369</u>	<u>3,805,427</u>
LIABILITIES				
Deposits held in trust for others	3,405,238	7,269,558	6,869,369	3,805,427
Total liabilities	<u>3,405,238</u>	<u>7,269,558</u>	<u>6,869,369</u>	<u>3,805,427</u>
TREASURER				
VALUATION PROBLEMS FUND				
ASSETS				
Cash and investments	8,401	-	-	8,401
Total assets	<u>8,401</u>	<u>-</u>	<u>-</u>	<u>8,401</u>
LIABILITIES				
Deposits held in trust for others	8,401	-	-	8,401
Total liabilities	<u>8,401</u>	<u>-</u>	<u>-</u>	<u>8,401</u>
TREASURER				
PARTIAL PAYMENTS FUND				
ASSETS				
Cash and investments	58,175	-	-	58,175
Total assets	<u>58,175</u>	<u>-</u>	<u>-</u>	<u>58,175</u>
LIABILITIES				
Deposits held in trust for others	58,175	-	-	58,175
Total liabilities	<u>58,175</u>	<u>-</u>	<u>-</u>	<u>58,175</u>
TREASURER				
TAXES PAID IN ADVANCE FUND				
ASSETS				
Cash and investments	126,972	127,022	123,172	130,822
Total assets	<u>126,972</u>	<u>127,022</u>	<u>123,172</u>	<u>130,822</u>
LIABILITIES				
Deposits held in trust for others	126,972	127,022	123,172	130,822
Total liabilities	<u>126,972</u>	<u>127,022</u>	<u>123,172</u>	<u>130,822</u>
TREASURER				
CLAIM FOR REFUND IOI FUND				
ASSETS				
Cash and investments	504,123	158,152	15,028	647,247
Receivables - other	27,372	18,405	27,372	18,405
Total assets	<u>531,495</u>	<u>176,557</u>	<u>42,400</u>	<u>665,652</u>
LIABILITIES				
Deposits held in trust for others	531,495	176,557	42,400	665,652
Total liabilities	<u>\$ 531,495</u>	<u>\$ 176,557</u>	<u>\$ 42,400</u>	<u>\$ 665,652</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF BERNALILLO, NEW MEXICO
 AGENCY FUNDS
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
TREASURER				
UNDISTRIBUTED TAXES				
ASSETS				
Cash and investments	\$ 6,875,499	\$ 1,225,616,336	\$ 1,225,903,261	\$ 6,588,574
Receivables - Property taxes	39,099,941	41,864,019	44,594,301	36,369,659
Total assets	<u>45,975,440</u>	<u>1,267,480,355</u>	<u>1,270,497,562</u>	<u>42,958,233</u>
LIABILITIES				
Deposits held in trust for others	6,875,499	1,225,616,336	1,225,903,261	6,588,574
Future taxes collectible	39,099,941	41,864,019	44,594,301	36,369,659
Total liabilities	<u>45,975,440</u>	<u>1,267,480,355</u>	<u>1,270,497,562</u>	<u>42,958,233</u>
TREASURER				
NSF APPLIES FUND				
ASSETS				
Cash and investments	3,291	-	-	3,291
Total assets	<u>3,291</u>	<u>-</u>	<u>-</u>	<u>3,291</u>
LIABILITIES				
Deposits held in trust for others	3,291	-	-	3,291
Total liabilities	<u>3,291</u>	<u>-</u>	<u>-</u>	<u>3,291</u>
TREASURER				
CLAIM FOR REFUND FUND				
ASSETS				
Cash and investments	7,486,071	704,607	883,408	7,307,270
Total assets	<u>7,486,071</u>	<u>704,607</u>	<u>883,408</u>	<u>7,307,270</u>
LIABILITIES				
Deposits held in trust for others	7,486,071	704,607	883,408	7,307,270
Total liabilities	<u>7,486,071</u>	<u>704,607</u>	<u>883,408</u>	<u>7,307,270</u>
TREASURER				
TRUST AND ESCROW FUND				
ASSETS				
Cash and investments	2,859	-	-	2,859
Total assets	<u>2,859</u>	<u>-</u>	<u>-</u>	<u>2,859</u>
LIABILITIES				
Deposits held in trust for others	2,859	-	-	2,859
Total liabilities	<u>2,859</u>	<u>-</u>	<u>-</u>	<u>2,859</u>
TOTAL - TREASURER				
TREASURER				
ASSETS				
Cash and investments	18,470,629	1,234,018,656	1,233,937,219	18,552,066
Receivables - Property taxes	39,099,941	41,864,019	44,594,301	36,369,659
Receivables - other	27,372	18,405	27,372	18,405
Total assets	<u>57,597,942</u>	<u>1,275,901,080</u>	<u>1,278,558,892</u>	<u>54,940,130</u>
LIABILITIES				
Deposits held in trust for others	18,494,187	1,234,033,622	1,233,960,777	18,567,032
Other Liabilities	3,814	3,439	3,814	3,439
Future taxes collectible	39,099,941	41,864,019	44,594,301	36,369,659
Total liabilities	<u>57,597,942</u>	<u>1,275,901,080</u>	<u>1,278,558,892</u>	<u>54,940,130</u>
COURT SERVICES FUNDS				
ASSETS				
Cash and investments	-	180,460	178,059	2,401
Total assets	<u>-</u>	<u>180,460</u>	<u>178,059</u>	<u>2,401</u>
LIABILITIES				
Other Liabilities	1,162	-	1,162	-
Deposits held in trust for others	(1,162)	180,460	176,897	2,401
Total liabilities	<u>\$ -</u>	<u>\$ 180,460</u>	<u>\$ 178,059</u>	<u>\$ 2,401</u>

The Notes to Financial Statements are an integral part of these statements.

COUNTY OF BERNALILLO, NEW MEXICO
 AGENCY FUNDS
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
COUNTY SHERIFF FUND				
ASSETS				
Cash and investments	\$ 511,607	\$ 69,281	\$ 344,878	\$ 236,010
Total assets	<u>511,607</u>	<u>69,281</u>	<u>344,878</u>	<u>236,010</u>
LIABILITIES				
Deposits held in trust for others	511,607	69,281	344,878	236,010
Total liabilities	<u>511,607</u>	<u>69,281</u>	<u>344,878</u>	<u>236,010</u>
Inmate MDC				
ASSETS				
Cash and investments	834,546	3,787,002	3,619,256	1,002,292
Total assets	<u>834,546</u>	<u>3,787,002</u>	<u>3,619,256</u>	<u>1,002,292</u>
LIABILITIES				
Deposit held in trust for others	834,546	3,787,002	3,619,256	1,002,292
Total liabilities	<u>834,546</u>	<u>3,787,002</u>	<u>3,619,256</u>	<u>1,002,292</u>
Resident JDYSC				
ASSETS				
Cash and investments	1,328	50,739	50,838	1,229
Total assets	<u>1,328</u>	<u>50,739</u>	<u>50,838</u>	<u>1,229</u>
LIABILITIES				
Deposit held in trust for others	1,328	50,739	50,838	1,229
Total liabilities	<u>1,328</u>	<u>50,739</u>	<u>50,838</u>	<u>1,229</u>
Regional Transit Fund				
ASSETS				
Cash and investments	-	24,498,868	24,498,868	-
Receivables -other	3,539,056	3,717,377	3,539,056	3,717,377
Total assets	<u>3,539,056</u>	<u>28,216,245</u>	<u>28,037,924</u>	<u>3,717,377</u>
LIABILITIES				
Deposit held in trust for others	-	24,498,868	24,498,868	-
Future taxes collectible	3,539,056	3,717,377	3,539,056	3,717,377
Total liabilities	<u>3,539,056</u>	<u>28,216,245</u>	<u>28,037,924</u>	<u>3,717,377</u>
Cafeteria Plan				
ASSETS				
Cash and investments	137,642	585,364	571,059	151,947
Total assets	<u>137,642</u>	<u>585,364</u>	<u>571,059</u>	<u>151,947</u>
LIABILITIES				
Deposit held in trust for others	137,642	585,364	571,059	151,947
Total liabilities	<u>137,642</u>	<u>585,364</u>	<u>571,059</u>	<u>151,947</u>
SPECIAL ASSESSMENTS				
DISTRICT 83-1A				
ASSETS				
Cash and investments	435,279	124,704	27,728	532,255
Receivables-other	145,022	33,900	124,704	54,218
Total assets	<u>580,301</u>	<u>158,604</u>	<u>152,432</u>	<u>586,473</u>
LIABILITIES				
Deposits held in trust for others	580,301	158,604	152,432	586,473
Total liabilities	<u>580,301</u>	<u>158,604</u>	<u>152,432</u>	<u>586,473</u>
SPECIAL ASSESSMENTS				
DISTRICT 83-1B				
ASSETS				
Cash and investments	807	180,000	180,469	338
Receivables - Property taxes	1,260,000	1,155,000	1,260,000	1,155,000
Total assets	<u>1,260,807</u>	<u>1,335,000</u>	<u>1,440,469</u>	<u>1,155,338</u>
LIABILITIES				
Deposits held in trust for others	807	180,000	180,469	338
Future taxes collectible	1,260,000	1,155,000	1,260,000	1,155,000
Total liabilities	<u>1,260,807</u>	<u>1,335,000</u>	<u>1,440,469</u>	<u>1,155,338</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	20,391,838	1,263,495,074	1,263,408,374	20,478,538
Receivables - Property taxes	40,359,941	43,019,019	45,854,301	37,524,659
Receivables - other	3,711,450	3,769,682	3,691,132	3,790,000
Total assets	<u>64,463,229</u>	<u>1,310,283,775</u>	<u>1,312,953,807</u>	<u>61,793,197</u>
LIABILITIES				
Deposits held in trust for others	20,559,256	1,263,543,940	1,263,555,474	20,547,722
Other Liabilities	4,976	3,439	4,976	3,439
Future taxes collectible	43,898,997	46,736,396	49,393,357	41,242,036
Total liabilities	<u>\$ 64,463,229</u>	<u>\$ 1,310,283,775</u>	<u>\$ 1,312,953,807</u>	<u>\$ 61,793,197</u>

The Notes to Financial Statements are an integral part of these statements.

Statistical Section

This part of the County of Bernalillo’s comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County’s overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County’s financial performance and well being have changed over time.	145
Revenue Capacity These schedules present information to help the reader assess the County’s most significant local revenue source, the property tax.	151
Debt Capacity These schedules present information to help the reader assess the affordability of the County’s current level of outstanding debt and the County’s ability to issue additional debt in the future.	161
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	167
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County’s provides and the activities it performs.	169

**COUNTY OF BERNALILLO, NEW MEXICO
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities				
Net investment in capital assets	\$ 369,109,799	\$ 357,168,323	\$ 344,670,560	\$ 353,608,399
Restricted	133,136,883	140,368,833	137,871,142	139,516,367
Unrestricted	84,474,976	113,248,057	114,602,118	109,237,450
Total governmental activities net of position	<u>\$ 586,721,658</u>	<u>\$ 610,785,213</u>	<u>\$ 597,143,820</u>	<u>\$ 602,362,216</u>
Business-type activities				
Net investment in capital assets	\$ 3,394,992	\$ 3,294,085	\$ 3,238,600	\$ 2,001,499
Unrestricted	3,647,436	2,506,867	1,594,706	2,429,715
Total business-type activities net position	<u>\$ 7,042,428</u>	<u>\$ 5,800,952</u>	<u>\$ 4,833,306</u>	<u>\$ 4,431,214</u>
Primary government				
Net investment in capital assets	\$ 372,504,791	\$ 360,462,408	\$ 347,909,160	\$ 355,609,898
Restricted	133,136,883	140,368,833	137,871,142	139,516,367
Unrestricted	88,122,412	115,754,924	116,196,824	111,667,165
Total primary government net position	<u>\$ 593,764,086</u>	<u>\$ 616,586,165</u>	<u>\$ 601,977,126</u>	<u>\$ 606,793,430</u>

2009	2008	2007	2006	2005	2004
\$ 356,558,834	\$ 308,271,760	\$ 299,526,749	\$ 259,799,155	\$ 256,203,651	\$ 262,781,593
127,980,308	146,792,506	106,094,221	43,396,414	49,216,804	47,164,322
85,572,706	94,132,470	70,097,399	83,841,598	59,844,194	36,256,788
<u>\$ 570,111,848</u>	<u>\$ 549,196,736</u>	<u>\$ 475,718,369</u>	<u>\$ 387,037,167</u>	<u>\$ 365,264,649</u>	<u>\$ 346,202,703</u>
\$ 2,358,904	\$ 2,839,330	\$ 3,196,311	\$ 4,204,373	\$ 3,602,601	\$ 3,159,453
1,999,241	2,108,949	1,340,312	589,684	1,572,789	1,524,239
<u>\$ 4,358,145</u>	<u>\$ 4,948,279</u>	<u>\$ 4,536,623</u>	<u>\$ 4,794,057</u>	<u>\$ 5,175,390</u>	<u>\$ 4,683,692</u>
\$ 358,917,738	\$ 311,111,090	\$ 302,723,060	\$ 264,003,528	\$ 259,806,252	\$ 265,941,046
127,980,308	146,792,506	106,094,221	43,396,414	49,216,804	47,164,322
87,571,947	96,241,419	71,437,711	84,431,282	61,416,983	37,781,027
<u>\$ 574,469,993</u>	<u>\$ 554,145,015</u>	<u>\$ 480,254,992</u>	<u>\$ 391,831,224</u>	<u>\$ 370,440,039</u>	<u>\$ 350,886,395</u>

COUNTY OF BERNALILLO, NEW MEXICO
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Expenses	2013	2012	2011	2010
Governmental activities:				
General government	\$ 67,393,999	\$ 57,591,475	\$ 69,096,613	\$ 64,791,762
Public works	45,883,104	44,480,787	43,729,571	42,122,694
Public safety	153,629,728	145,585,157	145,727,403	154,622,588
Culture and recreation	21,360,907	12,755,946	13,347,421	11,957,736
Health and welfare	45,278,882	43,128,410	41,952,311	36,053,345
Interest on long-term debt	10,876,254	10,989,496	12,420,667	14,530,276
Total government activities expenses	<u>344,422,874</u>	<u>314,531,271</u>	<u>326,273,986</u>	<u>324,078,401</u>
Business-type activities:				
Solid waste	4,710,379	4,841,418	4,684,002	4,817,057
Housing Authority	1,306,043	1,340,960	1,480,157	1,083,960
Seybold Village Handicapped Project	355,259	156,761	341,593	349,467
Regional Juvenile Detention Center	1,017,035	904,892	1,079,558	1,084,886
El Centro Familiar	336,185	404,057	397,701	646,387
Total business-type activities expenses	<u>7,724,901</u>	<u>7,648,088</u>	<u>7,983,011</u>	<u>7,981,757</u>
Total primary government expenses	<u>\$ 352,147,775</u>	<u>\$ 322,179,359</u>	<u>\$ 334,256,997</u>	<u>\$ 332,060,158</u>
Program Revenues				
Government activities:				
Charges for services:				
General government	\$ 10,729,594	\$ 10,234,551	\$ 9,435,442	\$ 27,821,557
Public works	1,676,819	1,879,089	2,010,807	-
Public Safety	2,529,245	2,216,401	12,936,840	-
Culture and recreation	1,049,072	962,705	926,712	-
Health and Welfare	420,814	246,387	101,650	-
Operating grants and contributions:				
General government	1,773,156	-	-	-
Public Works	32,012	41,177	463,860	-
Public Safety	11,575,975	10,895,045	11,174,899	11,692,990
Culture and recreation	613,147	841,106	602,955	743,584
Health and Welfare	12,170,509	11,008,416	13,216,902	12,924,689
Capital Grants and contributions				
General government	253,740	498,277	3,316,133	-
Public Works	6,977,001	11,039,174	9,549,331	17,963,627
Public Safety	53,600	-	511,563	637,977
Culture and recreation	657,462	-	2,981,532	8,490,772
Health and Welfare	-	-	-	1,021,325
Total government activities program revenue	<u>50,512,146</u>	<u>49,862,328</u>	<u>67,228,626</u>	<u>81,296,521</u>
Business-type activities				
Charges for services:				
Solid Waste	4,825,778	4,755,515	4,709,898	4,617,890
Housing Authority	501,763	341,508	558,653	293,063
Seybold Village Handicapped Project	45,766	42,921	41,742	43,074
Regional Juvenile Detention Center	1,053,534	1,062,223	1,062,222	1,062,223
El Centro Familiar	196,080	218,642	141,547	398,596
Operating grants and contributions:				
Solid Waste	176,000	171,700	176,000	176,000
Housing Authority	779,490	949,075	972,399	451,043
Seybold Village Handicapped Project	-	-	-	-
El Centro Familiar	172,950	161,839	160,175	153,544
Capital grants and contributions:				
Housing Authority	-	-	-	-
Seybold Village Handicapped Project	20,518	63,756	-	107,712
Total business-type activities program revenue	<u>7,771,879</u>	<u>7,767,179</u>	<u>7,822,636</u>	<u>7,303,145</u>
Total primary government program revenues	<u>\$ 58,284,025</u>	<u>\$ 57,629,507</u>	<u>\$ 75,051,262</u>	<u>\$ 88,599,666</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 69,898,098	\$ 45,609,786	\$ 47,569,157	\$ 46,477,713	\$ 45,288,911	\$ 37,501,192
50,092,431	52,518,685	32,604,280	45,618,719	34,986,816	32,294,831
156,911,320	143,867,733	129,957,959	108,438,819	89,268,696	82,328,864
11,426,758	12,637,946	15,337,172	14,202,035	11,411,012	11,409,199
31,911,866	28,083,075	25,862,321	19,199,026	19,266,114	18,785,416
15,591,011	15,585,987	15,221,474	14,318,226	15,077,459	14,651,079
<u>335,831,484</u>	<u>298,303,212</u>	<u>266,552,363</u>	<u>248,254,538</u>	<u>215,299,008</u>	<u>196,970,581</u>
5,215,029	4,910,418	4,483,095	4,257,715	3,255,586	3,353,335
1,576,798	860,653	847,572	469,038	1,036,213	2,065,228
320,744	235,027	172,947	168,763	145,955	126,954
960,180	923,826	1,158,479	1,273,084	1,330,647	1,275,350
450,958	426,170	354,557	404,069	382,877	392,493
<u>8,523,709</u>	<u>7,356,094</u>	<u>7,016,650</u>	<u>6,572,669</u>	<u>6,151,278</u>	<u>7,213,360</u>
<u>\$ 344,355,193</u>	<u>\$ 305,659,306</u>	<u>\$ 273,569,013</u>	<u>\$ 254,827,207</u>	<u>\$ 221,450,286</u>	<u>\$ 204,183,941</u>
\$ 29,818,073	\$ 36,526,187	\$ 47,003,455	\$ 30,856,985	\$ 21,395,970	\$ 16,687,785
-	-	-	-	-	-
-	-	-	-	-	-
-	138	48,720	151	60	97
-	-	-	-	-	-
346,608	232,986	442,797	280,737	1,008,250	504,723
9,931	-	17,536	-	2,357	356,530
10,654,921	12,688,872	5,207,981	8,267,824	7,427,307	8,503,339
557,640	743,616	260,933	887,767	852,589	841,768
13,182,226	14,475,407	15,807,842	12,511,372	12,535,023	11,509,565
10,087,748	-	129,563	11,152	-	6,355
20,927,024	27,882,786	36,292,565	17,551,403	13,038,508	21,216,205
809,420	5,063,696	844,478	161,551	39,915	103,493
3,150,736	6,124,856	4,741,191	1,355,935	1,106,620	1,644,695
2,909,854	2,921,570	3,758,832	177,626	874,397	873,929
<u>92,454,181</u>	<u>106,660,114</u>	<u>114,555,893</u>	<u>72,062,503</u>	<u>58,280,996</u>	<u>62,248,484</u>
4,495,377	4,373,905	3,646,753	4,022,140	3,050,320	3,054,698
575,634	537,282	191,210	79,889	479,823	1,625,769
42,446	41,392	30,942	40,163	31,905	31,563
1,058,848	859,131	1,171,934	1,245,626	1,245,191	1,331,114
160,089	170,909	110,664	107,485	95,764	97,643
176,000	165,001	314,140	196,975	139,226	148,490
-	123,696	-	-	-	-
-	56,546	54,556	-	-	-
151,781	153,239	214,296	-	-	-
406,227	395,128	452,903	-	-	-
75,952	38,853	29,691	-	-	-
<u>7,142,354</u>	<u>6,915,082</u>	<u>6,217,089</u>	<u>5,692,278</u>	<u>5,042,229</u>	<u>6,289,277</u>
<u>\$ 99,596,535</u>	<u>\$ 113,575,196</u>	<u>\$ 120,772,982</u>	<u>\$ 77,754,781</u>	<u>\$ 63,323,225</u>	<u>\$ 68,537,761</u>

COUNTY OF BERNALILLO, NEW MEXICO
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

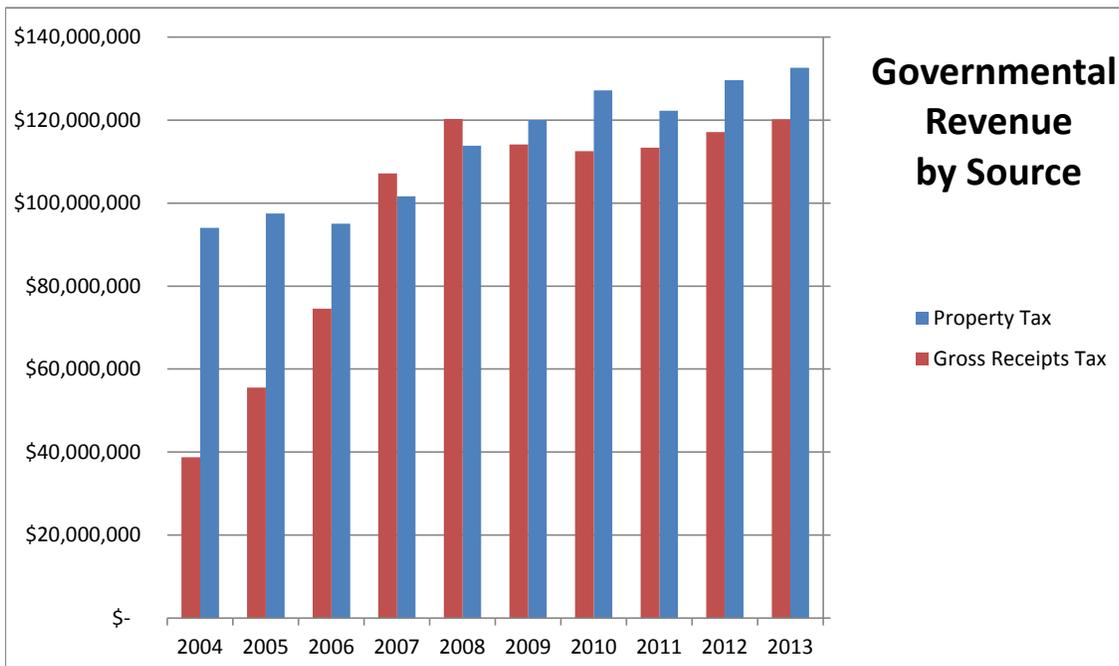
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net (expenses)/revenue				
Governmental activities	\$(293,910,728)	\$(264,668,943)	\$(259,045,360)	\$(242,781,880)
Business-type activities	46,978	119,091	(160,375)	(678,612)
Total primary governmental net expenses	<u>\$(293,863,750)</u>	<u>\$(264,549,852)</u>	<u>\$(259,205,735)</u>	<u>\$(243,460,492)</u>
General Revenue and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 132,624,981	\$ 129,585,691	\$ 122,275,071	\$ 127,201,067
Gross receipts taxes	120,149,781	117,086,938	113,354,187	112,555,113
Motor vehicle taxes	3,702,824	3,778,892	3,694,000	3,788,238
Cigarette taxes	-	-	-	5,230
Gas taxes	1,809,719	1,639,775	1,719,921	1,808,628
Investment/interest income	5,623,656	19,404,077	2,244,107	15,249,566
Net decrease- fair value of investments	(12,814,794)			
Loss on sale of capital assets	-	-	-	48,972
Miscellaneous	19,592,905	6,931,763	10,539,678	14,375,434
Transfers	(841,899)	(116,800)	-	-
Total governmental activities	<u>269,847,173</u>	<u>278,310,336</u>	<u>253,826,964</u>	<u>275,032,248</u>
Business-type activities:				
Investment/interest income	3,914	6,336	6,456	124,819
Operating grants	-	-	-	-
Gain on sale of capital assets	-	-	-	4,100
Miscellaneous	348,685	558,253	550,162	614,416
Transfers	841,899	116,800	-	-
Capital contributions - capital assets	-	167,166	5,849	8,346
Total business-type activities	<u>1,194,498</u>	<u>848,555</u>	<u>562,467</u>	<u>751,681</u>
Total primary government	<u>271,041,671</u>	<u>279,158,891</u>	<u>254,389,431</u>	<u>275,783,929</u>
Change in Net Position				
Governmental activities	(24,063,555)	13,641,393	(5,218,396)	32,250,368
Business-type activities	1,241,476	967,646	402,092	73,069
Total before prior period adjustment	<u>(22,822,079)</u>	<u>14,609,039</u>	<u>(4,816,304)</u>	<u>32,323,437</u>
Prior period adjustment	-	-	-	-
Total primary government	<u>\$ (22,822,079)</u>	<u>\$ 14,609,039</u>	<u>\$ (4,816,304)</u>	<u>\$ 32,323,437</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$(243,377,303)	\$(191,643,098)	\$(151,996,470)	\$(176,192,035)	\$(157,018,012)	\$(134,722,097)
(1,381,355)	(441,012)	(799,561)	(880,391)	(1,109,049)	(629,233)
<u>\$(244,758,658)</u>	<u>\$(192,084,110)</u>	<u>\$(152,796,031)</u>	<u>\$(177,072,426)</u>	<u>\$(158,127,061)</u>	<u>\$(135,351,330)</u>
\$ 120,069,963	\$ 113,789,778	\$ 101,617,379	\$ 95,070,478	\$ 97,468,762	\$ 94,043,897
114,116,141	120,264,324	107,167,291	74,565,522	55,548,897	38,725,557
3,582,607	4,301,323	3,788,667	4,132,542	3,608,463	3,547,419
6,758	6,077	6,454	5,707	5,511	6,477
2,037,969	1,572,980	1,636,764	1,964,503	1,680,496	1,553,716
10,865,039	16,046,244	13,833,232	9,043,065	6,952,564	5,184,585
296,236	-	-	-	-	-
13,317,702	9,525,633	12,949,329	13,182,736	10,845,578	11,332,291
-	(384,894)	(321,444)	-	200,000	200,000
<u>264,292,415</u>	<u>265,121,465</u>	<u>240,677,672</u>	<u>197,964,553</u>	<u>176,310,271</u>	<u>154,593,942</u>
45,191	83,879	103,533	50,653	9,022	7,713
-	-	-	534,517	558,439	939,530
33,858	-	-	-	-	-
712,172	383,895	117,150	107,233	119,688	119,379
-	384,894	321,444	-	(200,000)	(200,000)
-	-	-	16,688	1,113,598	-
<u>791,221</u>	<u>852,668</u>	<u>542,127</u>	<u>709,091</u>	<u>1,600,747</u>	<u>866,622</u>
<u>265,083,636</u>	<u>265,974,133</u>	<u>241,219,799</u>	<u>198,673,644</u>	<u>177,911,018</u>	<u>155,460,564</u>
20,915,112	73,478,367	88,681,202	21,772,518	19,292,259	19,871,845
(590,134)	411,656	(257,434)	(171,300)	491,698	237,389
20,324,978	73,890,023	88,423,768	21,601,218	19,783,957	20,109,234
-	-	-	(210,033)	394,070	1,124,924
<u>\$ 20,324,978</u>	<u>\$ 73,890,023</u>	<u>\$ 88,423,768</u>	<u>\$ 21,391,185</u>	<u>\$ 20,178,027</u>	<u>\$ 21,234,158</u>

**COUNTY OF BERNALILLO, NEW MEXICO
 GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 (accrual basis of accounting)**

Fiscal Year	Property Tax	Gross Receipts Tax	Motor Vehicle Tax	Cigarette Tax (1)	Gas Tax	Total
2013	\$ 132,624,981	\$ 120,149,781	\$ 3,702,824	\$ -	\$ 1,809,719	\$ 258,287,305
2012	129,585,691	117,086,938	3,778,892	-	1,639,775	252,091,296
2011	122,275,071	113,354,187	3,694,000	-	1,719,921	241,043,179
2010	127,201,067	112,555,113	3,788,238	5,230	1,808,628	245,358,276
2009	120,069,963	114,116,141	3,582,607	6,758	2,037,969	239,813,438
2008	113,789,778	120,264,324	4,301,323	6,077	1,572,980	239,934,482
2007	101,617,379	107,167,291	3,788,667	6,454	1,636,764	214,216,555
2006	95,070,478	74,565,522	4,132,542	5,707	1,964,503	175,738,752
2005	97,468,762	55,548,897	3,608,463	5,511	1,680,496	158,312,129
2004	\$ 94,043,897	\$ 38,725,557	\$ 3,547,419	\$ 6,477	\$ 1,553,716	\$ 137,877,066

(1) Cigarette tax collections were reduced by state legislative actions beginning in fiscal year 2011



COUNTY OF BERNALILLO, NEW MEXICO
GOVERNMENTAL ACTIVITIES- GROSS RECEIPTS TAX REVENUE BY SOURCE
LAST NINE FISCAL YEARS
(accrual basis of accounting)

Business Sector	2013	2012	2011	2010	2009	2008	2007	2006	2005
Utilities	\$ 4,229,272	\$ 4,624,935	\$ 4,228,110	\$ 4,220,817	\$ 3,822,891	\$ 3,728,194	\$ 3,643,688	\$ 2,460,662	\$ 1,666,467
Construction	9,515,863	8,664,433	8,535,570	8,936,876	11,388,791	12,026,432	13,610,246	9,000,059	5,554,890
Manufacturing	3,099,864	2,833,504	2,856,526	2,611,279	2,579,025	2,405,286	2,464,848	1,640,441	1,166,527
Wholesale trade	4,049,048	3,980,956	4,228,111	4,119,517	4,655,939	4,810,573	5,358,365	4,399,366	2,777,445
Retail trade	31,058,718	29,880,587	28,633,268	29,455,673	29,019,735	31,268,724	26,791,823	18,193,987	14,442,713
Information and cultural industries	6,740,403	6,755,916	5,565,691	4,896,147	3,035,489	2,405,286	2,143,346	1,267,614	555,489
Real estate, rental and leasing	1,958,441	1,756,304	1,484,940	1,361,917	1,380,805	1,803,965	1,714,677	969,352	555,489
Professional, scientific & technical services	20,149,118	20,724,388	20,358,412	20,304,942	20,244,203	18,761,235	17,682,603	13,794,622	10,554,290
Health care and social assistance	6,091,594	5,760,677	5,475,007	5,413,901	5,009,699	4,930,837	4,286,692	2,460,662	2,499,700
Accommodation and food services	10,236,761	9,952,390	9,510,416	9,094,453	8,581,534	9,019,824	7,501,710	4,473,931	3,455,141
Other services (except public admin.)	11,089,825	10,514,407	11,267,406	11,368,066	12,427,248	12,748,018	10,716,729	7,456,552	5,721,536
Unclassified establishments	396,494	327,843	340,063	461,476	707,520	1,082,379	857,338	1,491,310	1,555,369
State food distribution	6,776,448	6,439,782	6,223,145	6,044,210	7,018,143	7,696,917	4,286,692	3,728,276	2,666,347
State medical distribution	3,147,924	3,313,560	2,969,880	2,847,644	3,035,489	3,006,608	2,143,346	969,352	888,782
Other business activity*	1,610,007	1,557,256	1,677,642	1,418,195	1,209,630	4,570,046	3,965,188	2,259,336	1,488,712
Gross receipts taxes received**	<u>\$ 120,149,781</u>	<u>\$ 117,086,938</u>	<u>\$ 113,354,187</u>	<u>\$ 112,555,113</u>	<u>\$ 114,116,141</u>	<u>\$ 120,264,324</u>	<u>\$ 107,167,291</u>	<u>\$ 74,565,522</u>	<u>\$ 55,548,897</u>

* Other Business Activity are industries that generate less than 2% of gross receipts tax individually. Those industries include the following business classifications using the North American Industry Classification System (NAICS): Finance and Insurance; Transportation and Warehousing; Administration and Support, Waste Management and Remediation; Educational Services; Arts, Entertainment and Recreation; Management of Companies and Enterprises; Agriculture, Forestry, Fishing and Hunting; Public Administration; Mining and Oil and Gas Extraction.

** FY 10 was the first year of the Regional Transit Gross Receipts Tax. This 1/8 cent tax is collected by Bernalillo County but remitted to the Mid Region Council of Governments for operation of the Rail Runner train system.

Source: State of New Mexico Taxation and Revenue Department and Bernalillo County records.

COUNTY OF BERNALILLO, NEW MEXICO
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund				
Nonspendable	\$ 2,415,880	\$ 3,570,428	\$ 2,408,448	\$ 2,350,306
Restricted	69,493,554	71,053,870	68,801,270	65,240,072
Committed	43,293,845	56,961,090	1,189,430	-
Assigned	29,970,246	38,909,238	80,444,554	92,042,596
Unassigned	35,809,099	36,564,598	34,085,866	34,485,436
Total general fund	<u>\$ 180,982,624</u>	<u>\$ 207,059,224</u>	<u>\$ 186,929,568</u>	<u>\$ 194,118,410</u>
All other governmental funds				
Nonspendable	\$ 14,286,902	\$ 13,291,639	\$ 13,348,912	\$ 11,759,014
Restricted	70,063,125	72,451,572	63,262,295	167,493,607
Assigned	18,807,035	20,465,815	34,176,037	-
Unassigned	-	(11,708)	(33,854)	-
Total all other governmental funds	<u>\$ 103,157,062</u>	<u>\$ 106,197,318</u>	<u>\$ 110,753,390</u>	<u>\$ 179,252,621</u>
Total Fund Balance	\$ 284,139,686	\$ 313,256,542	\$ 297,682,958	\$ 373,371,031

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 2,319,196	\$ 2,407,630	\$ 2,053,682	\$ 1,946,763	\$ 1,813,923	\$ 1,664,982
66,297,457	64,204,173	62,116,232	47,880,110	38,279,946	31,815,165
-	-	-	-	-	-
74,009,419	77,021,708	58,151,165	25,910,114	12,251,801	14,452,804
33,032,083	28,253,300	24,383,704	21,726,308	19,963,013	-
<u>\$ 175,658,155</u>	<u>\$ 171,886,811</u>	<u>\$ 146,704,783</u>	<u>\$ 97,463,295</u>	<u>\$ 72,308,683</u>	<u>\$ 47,932,951</u>
\$ 16,701,584	\$ 16,783,967	\$ 16,880,650	\$ 16,918,477	\$ 17,569,634	\$ 17,823,175
155,920,591	105,642,788	74,569,367	69,406,327	69,776,034	82,415,510
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 172,622,175</u>	<u>\$ 122,426,755</u>	<u>\$ 91,450,017</u>	<u>\$ 86,324,804</u>	<u>\$ 87,345,668</u>	<u>\$ 100,238,685</u>
\$ 348,280,330	\$ 294,313,566	\$ 238,154,800	\$ 183,788,099	\$ 159,654,351	\$ 148,171,636

COUNTY OF BERNALILLO, NEW MEXICO
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues				
Taxes:				
Property	\$ 133,189,986	\$ 130,241,329	\$ 122,366,390	\$ 124,742,271
Sales	120,149,781	117,086,938	113,354,187	112,555,113
Motor vehicle	3,702,824	3,778,892	3,694,000	3,788,238
Cigarette	-	-	-	5,230
Gas	1,809,719	1,639,775	1,719,921	1,808,628
Intergovernmental	34,106,602	34,323,195	42,023,595	57,592,844
Licenses and permits	2,648,321	2,654,537	2,900,502	2,362,344
Fees for services	13,757,223	12,884,596	22,510,949	25,459,213
Investment/interest income	5,623,656	19,404,077	2,244,107	15,249,566
Net decrease-fair value investments	(12,814,794)	-	-	-
Miscellaneous	8,976,412	6,561,303	9,132,778	7,822,907
Total revenues	<u>311,149,730</u>	<u>328,574,642</u>	<u>319,946,429</u>	<u>351,386,354</u>
Expenditures				
General government	60,069,744	52,713,593	61,469,403	54,424,762
Public works	30,299,071	28,455,755	27,719,002	23,649,763
Public safety	141,251,787	133,740,820	135,303,143	144,820,182
Health and welfare	43,271,190	41,010,943	39,895,716	34,446,947
Culture and recreation	11,986,661	10,627,090	10,523,395	9,622,045
Capital outlay	32,650,026	29,007,567	35,475,847	37,648,304
Intergovernmental -Capital outlay	12,952,163	6,348,160	10,246,755	13,117,251
Debt service:				
Principal	14,435,000	18,445,000	61,675,000	23,555,000
Interest	11,449,338	11,779,759	13,501,640	15,728,867
Bond issuance cost	120,367	249,195	-	366,847
Total expenditures	<u>358,485,347</u>	<u>332,377,882</u>	<u>395,809,901</u>	<u>357,379,968</u>
Excess (deficiency) of revenues over expenditures	<u>(47,335,617)</u>	<u>(3,803,240)</u>	<u>(75,863,472)</u>	<u>(5,993,614)</u>
Other financing sources (uses)				
Transfers in	13,832,636	18,733,531	64,988,019	20,471,330
Transfers out	(14,674,535)	(18,850,331)	(64,988,019)	(20,471,330)
Long-term note issued	-	-	-	-
Bonds issued	17,800,000	18,600,000	-	28,750,000
Refunding bonds issued	-	6,535,000	-	16,755,000
Payment to escrow agent	-	(7,027,596)	-	(15,689,300)
Discount on bonds issued	-	(42,477)	-	(169,883)
Premium on bonds issued	837,434	1,128,582	-	1,366,406
Sale of capital assets	423,226	300,115	175,399	72,092
Total other financing sources (uses)	<u>18,218,761</u>	<u>19,376,824</u>	<u>175,399</u>	<u>31,084,315</u>
Net change in fund balances	<u>\$ (29,116,856)</u>	<u>\$ 15,573,584</u>	<u>\$ (75,688,073)</u>	<u>\$ 25,090,701</u>
Debt service as a percentage of noncapital expenditures	7.97% (1)	10.00% (1)	20.93%	12.32%

(1) This percentage is calculated using a capital outlay amount adjusted for internal labor included in operating expenses as detailed in the notes to the financial statements. The increase in this percentage from fy10 to fy11 is due to GRT bond proceeds being used to payoff a \$46.9 million debt that was not used for its intended purpose.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 118,118,204	\$ 113,368,730	\$ 101,471,408	\$ 94,942,222	\$ 97,608,049	\$ 93,534,299
114,116,141	120,264,324	107,167,291	74,565,522	55,548,897	38,725,557
3,582,607	4,301,323	3,788,667	4,132,542	3,608,463	3,547,419
6,758	6,077	6,454	5,707	5,511	6,477
2,037,969	1,572,980	1,636,764	1,964,503	1,680,496	1,553,716
62,866,884	70,287,188	67,552,438	41,366,969	36,931,650	45,643,875
3,189,293	3,479,107	3,555,566	4,838,500	4,174,138	5,104,429
26,628,780	32,893,819	43,447,889	25,857,034	17,175,208	11,500,180
10,865,039	16,046,244	13,833,232	9,043,065	6,952,564	5,184,585
-	-	-	-	-	-
9,992,381	9,525,633	10,477,726	13,182,736	10,845,578	11,090,075
<u>351,404,056</u>	<u>371,745,425</u>	<u>352,937,435</u>	<u>269,898,800</u>	<u>234,530,554</u>	<u>215,890,612</u>
56,284,520	42,291,899	49,893,135	40,984,541	42,217,400	35,748,909
23,906,123	23,093,549	23,608,319	26,839,945	17,673,512	15,907,897
140,201,023	131,859,726	119,780,354	96,369,043	79,712,958	72,075,141
30,470,414	27,109,801	24,904,668	18,253,158	18,393,227	18,016,551
9,445,054	11,205,752	14,012,941	11,742,718	10,444,279	10,508,127
35,466,502	52,168,492	48,317,057	38,355,698	33,022,775	19,836,585
23,752,233	14,209,243	-	-	-	-
25,019,717	13,987,345	12,594,320	11,632,060	9,562,282	11,167,181
15,873,887	15,658,380	15,460,278	14,831,868	14,928,663	14,294,518
451,511	409,433	75,948	643,458	68,712	329,926
<u>360,870,984</u>	<u>331,993,620</u>	<u>308,647,020</u>	<u>259,652,489</u>	<u>226,023,808</u>	<u>197,884,835</u>
(9,466,928)	39,751,805	44,290,415	10,246,311	8,506,746	18,005,777
22,792,106	17,872,263	18,764,786	27,045,866	17,554,672	35,274,967
(22,792,106)	(18,257,157)	(18,764,786)	(27,045,866)	(17,354,672)	(35,074,967)
-	-	-	7,401,160	-	-
62,200,000	21,500,000	10,000,000	6,466,000	3,029,000	22,210,000
-	11,000,000	-	56,425,000	-	-
-	(16,547,758)	-	(60,879,651)	-	-
-	(53,000)	(60,633)	(413,689)	(22,718)	(16,117)
660,254	734,178	-	4,888,617	-	-
573,438	158,435	136,919	-	-	-
<u>63,433,692</u>	<u>16,406,961</u>	<u>10,076,286</u>	<u>13,887,437</u>	<u>3,206,282</u>	<u>22,393,883</u>
<u>\$ 53,966,764</u>	<u>\$ 56,158,766</u>	<u>\$ 54,366,701</u>	<u>\$ 24,133,748</u>	<u>\$ 11,713,028</u>	<u>\$ 40,399,660</u>
12.59%	10.42%	11.04%	11.05%	12.29%	14.39%

**COUNTY OF BERNALILLO, NEW MEXICO
 ASSESSED VALUE AND ESTIMATED ACTUAL OF PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Real Property		Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Centrally Assessed	Livestock				
2004	\$ 6,843,151,309	\$ 2,385,170,939	\$ 431,315,470	\$ 1,178,093	\$ 9,660,815,811	9.489	\$ 13,100,007,455	73.75%
2005	7,269,453,586	2,429,391,192	402,552,650	1,239,423	10,102,636,851	9.479	13,632,488,946	74.11%
2006	7,743,446,079	3,095,290,965	420,417,136	1,278,523	11,260,432,703	8.369	14,202,608,812	79.28%
2007	8,442,782,935	2,978,241,211	446,277,809	1,371,876	11,868,673,831	8.491	14,824,548,909	80.06%
2008	9,333,295,563	3,380,218,205	476,185,795	1,412,868	13,191,112,431	8.493	16,455,304,512	80.16%
2009	10,050,550,836	3,445,172,418	479,076,818	1,291,931	13,976,092,003	8.425	17,337,910,632	80.61%
2010	10,533,197,821	3,867,180,680	421,489,847	1,236,328	14,823,104,676	8.500	18,328,312,117	80.88%
2011	10,315,485,048	3,580,630,435	487,472,638	1,140,685	14,384,728,806	8.438	17,961,398,881	80.09%
2012	10,409,867,174	3,545,440,499	496,404,009	1,049,093	14,452,760,775	8.874	17,290,041,124	83.59%
2013	\$ 10,513,182,171	\$ 3,381,694,441	\$ 498,624,419	\$ 922,156	\$ 14,394,423,187	9.048	\$ 17,240,471,543	83.49%

The levies are requested by the County Commission and set by the Department of Finance and Administration, State of New Mexico.

The County Treasurer levies and collects the taxes and distributes to all taxing jurisdictions.

Source: County Assessor's Office and State Department of Finance and Administration

**COUNTY OF BERNALILLO, NEW MEXICO
PROPERTY TAX RATES
DIRECT AND OVERLAPPING
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Bernalillo County (3)										
Operating	8.138	7.864	7.769	7.505	7.430	7.489	7.393	7.220	8.310	8.342
Debt service	0.897	0.897	0.555	0.880	0.880	0.888	0.830	0.830	0.830	0.830
Open space	-	0.100	0.100	0.100	0.100	0.100	0.250	0.250	0.250	0.250
Judgment	0.013	0.013	0.014	0.015	0.015	0.016	0.018	0.069	0.089	0.067
Total direct rate	9.048	8.874	8.438	8.500	8.425	8.493	8.491	8.369	9.479	9.489
City of Albuquerque										
Operating	6.544	6.544	6.433	6.203	4.134	3.136	3.166	3.104	3.171	3.176
Debt Service	4.976	4.976	4.976	4.976	6.976	7.976	7.976	7.976	7.976	7.976
Albuquerque Public Schools										
Operating	0.325	0.319	0.315	0.304	0.303	0.304	0.302	0.299	0.301	0.304
Debt Service	3.416	4.020	4.317	4.316	4.304	4.308	2.167	2.162	2.166	2.162
Capital Improvement	2.000	2.000	2.000	2.000	1.999	2.000	1.995	1.958	2.000	2.000
Building	3.981	3.983	3.988	3.985	3.944	3.947	3.975	3.996	3.988	4.068
Hospitals	6.400	6.400	6.400	6.400	6.429	6.428	6.487	6.317	6.500	6.500
Village of Tijeras										
Operating	1.315	1.310	1.316	1.271	1.283	1.265	1.253	1.176	1.240	1.430
Village of Corrales (1)										
Operating	-	-	-	2.699	2.143	2.950	3.662	3.395	1.919	2.015
Debt Service	-	-	-	0.594	1.125	1.349	1.020	1.373	NA	1.070
Torrance Schools										
Operating	0.383	0.377	0.370	0.381	0.378	0.364	0.372	0.373	0.369	0.362
Debt Service	8.189	8.836	8.841	8.964	8.217	7.159	7.214	8.254	8.219	7.729
Capital Improvement	2.000	2.000	1.954	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Rio Rancho										
Operating	5.159	4.438	3.447	3.084	2.624	2.484	5.236	5.007	5.349	5.140
Debt Service	1.617	1.645	2.060	2.067	2.060	2.060	1.826	2.067	2.067	2.074
Rio Grande Conservancy District	4.230	4.231	4.244	4.238	4.246	4.250	4.635	4.963	5.330	5.320
Edgewood Soil & Water (2) Conservancy District	1.000	1.000	1.000	1.000	0.939	0.935	0.956	0.969	1.000	1.000
State of New Mexico	1.360	1.362	1.530	1.150	1.250	1.291	1.291	1.234	1.028	1.520
Central NM Community College (fka TVI)										
Operating	2.848	2.770	2.717	2.632	2.596	2.584	2.625	2.569	2.618	2.617
Debt Service	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550
Albuquerque Flood Control	0.930	0.926	0.926	0.927	0.923	0.919	0.931	0.920	0.931	0.933

(1) Village of Corrales is no longer in the Bernalillo County taxation district

(2) County is no longer required to attach special district's schedules to the abstract-info is not available for property tax values

(3) The Open Space mill levy has expired

Source: County Assessor's Office, County Treasurer's Office and State Department of Finance and Administration

**COUNTY OF BERNALILLO, NEW MEXICO
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Public Service Company of New Mexico - Electric Services	\$ 160,750,695	1	1.117%	\$ 121,419,009	1	1.257%
Qwest Corp (fka) U.S. West Communication Inc.	75,976,808	2	0.528%	100,941,715	2	1.045%
New Mexico Gas Company (formerly PNM - Gas Services) (1)	42,183,531	3	0.293%	26,678,211	3	0.276%
Comcast of NM Inc.	34,501,285	4	0.240%	21,694,707	4	0.225%
Verizon Wireless	25,823,942	5	0.179%	14,715,110	10	0.152%
Southwest Airlines	19,135,077	6	0.133%	21,089,467	5	0.218%
GCC Rio Grande Inc.	17,041,934	7	0.118%	17,666,667	8	0.183%
Simon Property Group, Ltd (Cottonwood Mall)	15,960,737	8	0.111%	20,483,754	6	0.212%
Mesa Del Sol	15,049,548	9	0.105%	-	-	-
Coronado Center LLC	14,091,606	10	0.098%	-	-	-
Heitman Properties of NM	-	-	-	19,111,489	7	0.198%
Crescent Real Estate (Hyatt Hotel)	-	-	-	15,965,071	9	0.165%
Total	\$ 420,515,163		2.922%	\$ 379,765,200		3.931%

Source: County Treasurer's Office

(1) PNM Gas Services became the new company, New Mexico Gas Company, in tax year 2010

Note:

Total taxable value including real and personal property for tax year 2012 (fiscal year 2013) is	\$ 14,394,423,187
Total taxable value including real and personal property for tax year 2003 (fiscal year 2004) is	\$ 9,660,815,811

**COUNTY OF BERNALILLO, NEW MEXICO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 91,822,433	\$ 87,599,841	95.41%	\$ 3,914,385	\$ 91,514,226	99.66%
2005	96,145,652	91,795,950	95.47%	4,011,291	95,807,241	99.65%
2006	93,906,198	90,013,460	95.85%	3,658,205	93,671,665	99.75%
2007	101,082,171	97,157,620	96.12%	3,429,016	100,586,636	99.51%
2008	112,113,596	107,467,225	95.86%	4,045,908	111,513,133	99.46%
2009	117,508,912	112,092,669	95.39%	4,771,115	116,863,784	99.45%
2010	124,708,278	117,443,009	94.17%	5,178,735	122,621,744	98.33%
2011	120,075,839	114,472,104	95.33%	4,199,983	118,672,087	98.83%
2012	126,686,407	121,576,353	95.97%	2,888,690	124,465,043	98.25%
2013	\$ 130,240,155	\$ 125,460,280	96.33%	-	-	-

The levies are requested by the County Commission and set by the Department of Finance and Administration, State of New Mexico

The County Treasurer levies and collects the taxes and distributes to all taxing jurisdictions.

Source: County Treasurer's Office

**COUNTY OF BERNALILLO, NEW MEXICO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business Type Activities		Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	General Obligation Bonds	Special Revenue Bonds	Capital Leases	Note Payable	Revenue Bonds	Note Payable			
2004	\$ 83,390,942	\$ 192,212,998	\$ 1,774,674	\$ -	\$ 1,850,000	\$ -	\$ 279,228,614	1.47%	469.57
2005	82,009,610	187,328,390	1,562,392	-	1,815,000	-	272,715,392	1.35%	448.67
2006	82,760,720	183,357,851	1,350,110	5,586,382	1,780,000	867,305	275,702,368	1.26%	445.05
2007	87,968,879	177,086,385	1,350,110	3,897,062	1,740,000	1,157,651	273,200,087	1.20%	434.46
2008	98,829,213	171,669,186	1,350,110	1,504,717	1,700,000	994,675	276,047,901	1.17%	434.42
2009	102,758,720	208,075,353	-	-	1,655,000	668,153	313,157,226	1.32%	487.38
2010	106,332,684	212,466,987	-	-	-	343,300	319,142,971	1.34%	480.33
2011	98,387,735	158,325,194	-	-	-	233,113	256,946,042	1.06%	382.95
2012	111,106,070	145,977,475	-	-	-	-	257,083,545	1.06%	381.74
2013	\$ 122,409,070	\$ 138,450,167	-	-	-	-	260,859,237	1.07%	387.34

Sources: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(a) See Demographic and Economic Statistics Schedule for personal income and population data.

Note: These ratios are calculated using personal income and population for the prior calendar year.

**COUNTY OF BERNALILLO, NEW MEXICO
RATIOS OF BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Revenue Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value⁽¹⁾ of Property	Per Capita⁽²⁾
2004	\$ 83,390,942	\$ 192,212,998	\$ 2,475,822	\$ 273,128,118	2.08%	459.31
2005	82,009,610	187,328,390	1,697,702	267,640,298	1.96%	440.32
2006	82,760,720	183,357,851	4,163,983	261,954,588	1.84%	422.86
2007	87,968,879	177,086,385	4,520,965	260,534,299	1.76%	414.32
2008	98,829,213	171,669,186	1,820,984	268,677,415	1.63%	422.82
2009	102,758,720	208,075,353	3,650,920	307,183,153	1.77%	478.09
2010	106,332,684	212,466,987	7,064,899	311,734,772	1.70%	469.18
2011	98,387,735	158,325,194	4,795,543	251,917,386	1.40%	375.45
2012	111,106,070	145,977,475	7,359,188	249,724,357	1.44%	370.81
2013	\$ 122,409,070	\$ 138,450,167	\$ 7,006,304	\$ 253,852,933	1.47%	376.94

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Sources:

- 1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.
- 2) Population data can be found in the Schedule of Demographic and Economic Statistics

**COUNTY OF BERNALILLO, NEW MEXICO
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2013**

	<u>Debt Outstanding</u>	<u>Applicable to Bernalillo County</u>	<u>County Share of Debt</u>
Bernalillo County	\$ 260,859,237	100.00%	<u>\$ 260,859,237</u>
Subtotal Bernalillo County Direct Debt			260,859,237
City of Albuquerque	375,029,000	100.00%	375,029,000
Albuquerque Public Schools	510,058,435	97.66%	498,123,068
Moriarty/Edgewood Schools	24,435,000	18.41%	4,498,484
Albuquerque Metropolitan Flood Control Authority	39,600,000	100.00%	39,600,000
Central New Mexico Community College	60,385,000	82.82%	50,010,857
State of New Mexico	425,361,543	26.42%	<u>112,380,520</u>
Subtotal Overlapping Debt			1,079,641,929
Total Direct and Overlapping Debt			<u><u>\$ 1,340,501,166</u></u>
Ratios:			
Total direct and overlapping debt to assessed valuation			9.47%
Total direct and overlapping debt to actual valuation			2.52%
Direct and overlapping debt per capita			\$ 1,990.47

Source: Debt outstanding data provided by each governmental unit.

Note: Percentage of overlap based on most current assessed property valuation.

**COUNTY OF BERNALILLO, NEW MEXICO
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

Fiscal Year	Gross Receipts Revenues	Debt Service		Coverage
		Principal	Interest	
2004	\$ 35,315,021	\$ 4,685,000	\$ 9,534,286	2.48
2005	51,732,791	4,885,000	9,857,666	3.51
2006	70,751,581	4,785,000	9,460,490	4.97
2007	100,136,138	6,010,000	9,242,817	6.57
2008	95,787,912	16,495,000	8,784,582	3.79
2009	91,746,733	16,760,000	9,463,039	3.50
2010	89,096,909	16,140,000	9,954,561	3.41
2011	89,669,675	53,835,000	8,998,698	1.43 ⁽¹⁾
2012	47,105,622	12,135,000	7,701,143	2.37 ⁽²⁾
2013	\$ 45,891,807	\$ 7,315,000	\$ 7,311,029	3.14 ⁽²⁾

Source: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾

The low percentage of coverage does not take into account payoff of a 46.9 million debt from bond proceeds rather than from gross receipts revenues in fiscal year 2011

⁽²⁾

Fiscal years 2012 and 2013 are reporting only pledged gross receipt tax revenue while prior years are reporting total gross receipts tax revenue

**COUNTY OF BERNALILLO, NEW MEXICO
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt Limit	\$ 385,352,321	\$ 404,105,474	\$ 450,417,308	\$ 474,746,953
Total net debt applicable to limit	<u>83,914,999</u>	<u>82,479,000</u>	<u>83,475,000</u>	<u>88,580,000</u>
Legal debt margin	<u>\$ 301,437,322</u>	<u>\$ 321,626,474</u>	<u>\$ 366,942,308</u>	<u>\$ 386,166,953</u>
Total net debt applicable to the limit as a percentage of debt limit	21.78%	20.41%	18.53%	18.66%

Sources: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
 County Assessor's Office

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 527,644,497	\$ 559,043,680	\$ 592,924,187	\$ 575,389,152	\$ 578,110,431	\$ 575,776,927
98,835,000	102,080,000	105,675,000	97,835,000	111,106,070	122,409,070
<u>\$ 428,809,497</u>	<u>\$ 456,963,680</u>	<u>\$ 487,249,187</u>	<u>\$ 477,554,152</u>	<u>\$ 467,004,361</u>	<u>\$ 453,367,857</u>
18.73%	18.26%	17.82%	17.00%	19.22%	21.26%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value	<u>\$ 14,394,423,187</u>
Debt limit (4% of total assessed value)	575,776,927
Debt applicable to limit	<u>122,409,070</u>
Legal debt margin	<u>\$ 453,367,857</u>

**COUNTY OF BERNALILLO, NEW MEXICO
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income	Unemployment Rate (3)
2004	594,644	18,938,152	31,848	5.20%
2005	607,825	20,223,896	33,273	4.70%
2006	619,490	21,796,170	35,184	3.80%
2007	628,825	22,754,553	36,186	3.30%
2008	635,444	23,660,565	37,235	4.40%
2009	642,527	23,660,814	36,825	7.00%
2010	664,425	23,777,563	35,787	8.50%
2011	670,968	24,311,260	36,233	7.20%
2012	673,460	NA	NA	7.10%
2013	673,460	NA	NA	7.10%

Education (4)

		Percent
Persons age 25 and Over	433,771	100.00%
Less than 9th Grade	25,416	5.86%
9th-12th grade, no diplomas	32,131	7.41%
High School Graduates	104,630	24.12%
Some college, no degree	102,663	23.67%
Associate degree	30,844	7.11%
Bachelor degree	76,828	17.71%
Graduate or professional degree	61,259	14.12%
Percentage completed high school		86.73%
Percentage completed 4 year college		31.83%

School Enrollment (2)

Elementary School	46,883
Mid-High Schools	20,273
High Schools	26,927
Private and parochial schools	10,081
Technical-vocational Institute	30,419
University of New Mexico	28,928

Sources:

(1) U.S. Dept. of Commerce, Bureau of the Economic Analysis

(2) New Mexico Higher Education Department

(3) New Mexico Department of Workforce Solutions

(4) National Center for Education Statistics

NA Information not available for these years

**COUNTY OF BERNALILLO, NEW MEXICO
PRINCIPAL EMPLOYERS
FOR THE CURRENT YEAR AND TEN YEARS AGO**

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Kirtland Air Force Base (Civilian) (1)	16,728	1	5.92%	18,508	1	5.97%
University of New Mexico	15,360	2	5.43%	15,375	2	4.99%
Albuquerque Public Schools	14,810	3	5.24%	11,600	3	3.76%
Sandia National Labs	8,856	4	3.13%	7,700	5	2.50%
Presbyterian	7,310	5	2.59%	5,800	7	1.87%
UNM Hospital	5,960	6	2.11%	4,068	10	1.31%
City of Albuquerque	5,500	7	1.95%	8,000	4	2.58%
State of New Mexico	4,950	8	1.75%	6,306	6	2.04%
Kirtland Air Force Base (military)	4,316	9	1.53%	5,532	8	1.79%
Lovelace (formerly Lovelace Sandia Health System)	4,000	10	1.41%	5,500	9	1.78%
Total	87,790		31.05%	88,389		28.53%

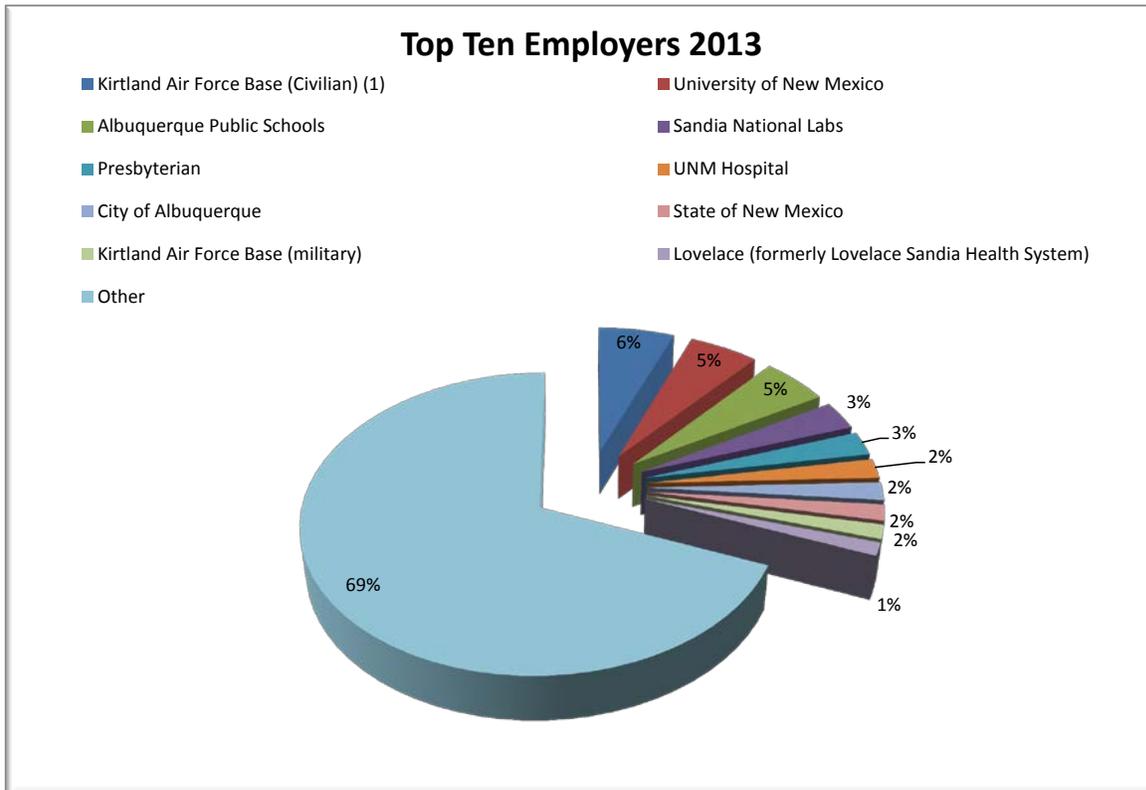
Bernalillo County Quarterly Census of Employment 282,775

309,805

Sources:

New Mexico Department of Workforce Solutions, Albuquerque Economic Development

Note: (1) Kirtland's civilian employment numbers includes all Department of Energy employees including contractors on and off the base, including Sandia National Labs. However, Sandia National Labs employment is also shown separately since Sandia and Kirtland publish data in different cycles.



COUNTY OF BERNALILLO, NEW MEXICO
 FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

Function	Full-Time Equivalent Employees as of June 30,									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Government										
Commissioners	10	10	10	10	11	10	10	10	10	10
County Manager										
County Manager	11	16	16	16	15	14	14	14	12	13
Economic Development	6	6	6	6	2	2	2	2	3	3
CIP	-	5	6	6	7	3	3	3	-	-
Public Information	6	10	10	10	9	8	8	8	6	6
Legal Department	13	10	10	10	10	12	12	9	9	9
Information Technology										
Core Services	40	36	36	36	38	35	35	34	34	35
Information Services	22	18	18	18	25	24	24	24	26	29
MDC Support	7	5	5	5	3	4	4	4	3	4
IT Record Management	3	3	3	3	2	4	4	4	4	4
ERP	-	23	23	23	-	-	-	-	-	-
Human Resources										
Compensation and Benefits	12	12	12	12	8	6	6	5	5	5
Labor Relations/Employment	23	21	22	22	23	19	19	14	14	13
HR Training	4	-	-	-	-	-	-	-	-	-
Clerk										
Bureau of Elections	25	25	25	25	25	25	25	25	26	24
Record and Filing	22	23	23	23	24	23	23	23	23	24
Finance										
Finance Division Administration	5	-	-	-	-	-	-	-	-	-
Budget and Business Improv.	37	27	27	27	24	24	24	21	21	17
Purchasing Office	27	19	19	19	18	18	18	15	14	15
Accounting	31	15	15	15	11	13	13	12	12	12
Risk Management	10	10	10	10	11	10	10	8	8	9
Treasurer										
Accounting	6	5	5	5	6	6	6	6	6	6
Program Support	7	8	8	8	8	8	8	8	9	8
Taxpayer Services	25	24	24	24	23	23	23	23	19	19
Treasury Project	-	-	-	-	-	-	-	-	2	3
Fleet-Facilities Management										
Computer Automation/Admin	8	5	7	7	9	9	9	8	8	6
Custodial Services	45.5	48.5	48.5	48.5	48	48	48	48	43.5	43.5
Facilities Maintenance	43	28	28	28	31	32	32	31	31	31
Vehicle Maintenance	28	24	25	25	26	25	25	25	26	15
Inventory Admin	-	8	8	8	-	-	-	-	-	-
CIP	5	-	-	-	-	-	-	-	-	-
Operations & Maintenance Dept.										
Road Maintenance	42	40	41	41	39	41	41	41	41	47
Traffic Engineering	13	12	13	13	14	14	14	14	14	14
Storm Drainage	5	5	5	5	5	4	4	4	4	4
Infrastructure and GEO Resources										
Geographic Information Systems	10	9	9	9	9	9	9	9	9	9
Right of Way	7	6	6	6	6	6	6	6	7	7
Technical Planning	5	4	4	4	4	4	4	4	5	5
Infrastructure	-	-	-	-	6	5	5	5	3	3
Water Resource/Pipe	-	8	8	8	-	-	-	-	-	-
Technical Services Department										
Tech Services A & B & Review	38	38	38	38	27	35	35	35	36	36
Probate Court	5	4	4	4	4	4	4	3	3	3

Note: Complete information for prior years is not available.
 Source: County Budget Department

COUNTY OF BERNALILLO, NEW MEXICO
 FULL-TIME EQUIVALENT COUNTY EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

Function	Full-Time Equivalent Employees as of June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Zoning, Building, and Planning										
Building Division	21	19	20	20	18	18	18	18	18	18
Land-Use Planning	13	10	10	10	10	10	10	10	11	10
Land-use, Review and Code Enf.	16	23	22	22	15	14	14	14	14	14
Assessors										
Property Assessment	52	63	61	61	63	63	63	63	63	63
Valuation	36	36	39	39	38	37	37	37	36	36
Public Safety										
Fire										
Emergency Preparedness	-	4	4	4	5	5	5	-	-	-
Fire Prevention	7	8	8	8	9	7	7	7	9	9
Operations	224	225	197	197	183	190	178	168	144	114
Support Services	15	13	13	13	14	12	12	19	13	19
Sheriff										
Criminal Investigations	65	57	56	56	53	55	55	55	52	49
Court Services	83	29	28	28	31	35	35	35	27	30
Field Services	202	207	181	181	181	183	183	183	187	187
Headquarters	14	19	17	17	16	17	17	17	15	15
Metro Air	-	2	1	1	1	-	-	-	-	-
Support Services	49	40	65	65	80	59	59	57	61	61
Grant	-	-	2	2	-	-	-	-	-	-
Communications Department	55	49	49	49	49	49	49	49	50	51
Public Safety Department										
Animal Control	18	13	13	13	13	12	12	12	11	11
Administrative Services	4	3	3	3	3	3	3	3	3	2
Emergency Management Admin.	5	-	-	-	-	-	-	-	-	-
Youth Services Center										
Resident Services	82	81	80	80	80	80	80	80	80	80
Support Services	29	26	27	27	28	27	27	27	-	-
Metropolitan Detention Center	527	531	530	530	532	532	532	-	-	-
DWI	66	66	65	65	52	51	51	-	-	-
Public Works										
Division Support Program	11	8	8	8	11	9	9	9	11	11
Public Works IT	-	6	6	6	3	3	3	3	-	-
Capital Construction Fund	-	-	1	1	-	-	-	-	-	-
Call Center	-	5	-	-	-	-	-	-	-	-
Solid Waste										
Water/Wastewater	14	-	-	-	-	-	-	-	-	-
Graffiti Program	5	-	-	-	-	-	-	-	-	-
Call Center, IT, Diversified Services	16	-	-	-	-	-	-	-	-	-
Culture and Recreation										
Administration	8	8	10	10	9	8.5	8.5	8	10.5	7.5
Aquatics Program	4.5	4.5	4.5	4.5	5	6	6	6	5.75	5
Community Center Program	59	56	56	56	50.25	53.5	53.5	53	49.5	48.75
Land Management-Parks and Open	43	41	43	43	45	41.5	41.5	41	38	36
Recreation Enrichment Program	-	-	-	-	8.5	13	13	13	9.5	5
Sports Program	7.5	8.5	9.5	9.5	8	10	10	10	9	9
Youth and Senior Services Program	7.5	7	7	7	7	5	5	5	5	5
Open Space	9	8	7	7	7	9	9	9	8.5	8.5
Public Arts	1	1	-	-	-	-	-	-	-	-
Capital Development	4.5	2.5	2.5	2.5	-	-	-	-	-	-
Community Services Administration	3	-	-	-	-	-	-	-	-	-
Social Services	2	-	-	-	-	-	-	-	-	-
Cultural Services	6	-	-	-	-	-	-	-	-	-
ABC Schools	4	-	-	-	-	-	-	-	-	-
Health and Welfare										
Environmental Health	15	16	16	16	24	23	23	22	22	22
Community Health Council	2	-	-	-	-	-	-	-	-	-
Enterprise Funds-Business Type										
Solid Waste	11	13	13	13	13	13	13	13	13	13
Housing	32	31	31	31	32	33	33	33	30	27
Youth Services Center	14	14	14	14	14	24	24	24	23	23
	<u>2,469</u>	<u>2,324</u>	<u>2,297</u>	<u>2,297</u>	<u>2,242</u>	<u>2,238</u>	<u>2,226</u>	<u>1,608</u>	<u>1,525</u>	<u>1,481</u>

**COUNTY OF BERNALILLO, NEW MEXICO
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Sheriffs Office										
911 Calls (1)	68,900	74,619	70,328	73,960	75,369	73,159	80,218	75,733	44,236	35,471
Traffic Offenses(2) (5)	1,867	2,013	2,067	2,107	NA	NA	NA	3,972	4,111	3,711
Fire Department										
Number of calls answered (1) (8)	13,306	15,594	11,349	11,919	11,180	11,541	10,343	11,200	10,334	8,509
Inspections (1)	1,376	1,331	1,151	1,070	1,839	1,985	1,380	1,351	1,307	1,349
Public Works										
Street resurfacing (miles)	17.1	19.9	12.4	13.5	11.9	15.7	30.9	11.2	9.1	8.9
Traffic signs	23,443	21,175	21,174	20,910	19,991	21,742	21,109	20,494	20,046	19,212
Storm Sewer	2,602	2,518	2,416	2,346	2,183	2,167	2,276	1,925	1,867	1,316
Parks and Recreation										
Aquatics Program Attendance (7)	83,403	81,594	75,857	46,437	38,560	47,643	36,313	44,841	NA	45,000
Number of Attendees at Dance Events	720	2,409	1,818	-	59	247	2,503	6,481	6,559	4,985
Youth Basketball Participation Program	1,617	1,581	1,759	2,190	1,133	1,950	1,375	1,167	1,642	1,800
Zoning, Building, and Planning										
Residential Building Permits	573	379	460	532	518	756	826	606	995	1,028
Commercial Building Permits	141	81	95	100	79	116	119	99	200	178
Electrical Permits	1,518	1,402	1,506	1,313	1,452	2,000	2,131	1,231	2,102	2,192
Mechanical Permits	809	728	749	691	801	484	1,335	632	1,281	1,305
Plumbing Permits	894	865	859	876	1,222	1,127	1,847	1,214	1,648	1,770
Sanitation										
Refuse Collected (Tons/Year) (3)(6)	41,789	40,285	39,942	39,383	38,338	37,762	35,047	42,939	44,153	27,208
Metropolitan Detention Center (4)										
DWI Bookings	3,987	4,213	4,750	5,435	6,599	6,867	6,307	-	-	-
Total Bookings	33,245	41,784	37,374	39,171	40,303	41,597	41,255	-	-	-
Community Custody Program (Avg Daily Population)	216	217	251	487	489	434	364	-	-	-

(1) Fiscal Year

(2) Calendar Year

(3) Effective FY 05 includes the East Mountain Transfer Station

(4) Effective FY 07 MDC was added

(5) Data source is from the City of Albuquerque and was not available for some prior years due to their system conversion

(6) 2012 and 2011 are reported on a fiscal year basis while 2010 and before are on a calendar year basis

(7) Over 60% increase in aquatics attendance in 2011 is due to overall attendance increase at all facilities (including the Alameda Splash Pad) in part due to more use of the free Swim Pass Program and extended pool hours

(8) BCFD took over Station #36 in FY12 and has also been operating Los Ranchos' Fire Station #30 since 2009.

Source: All data provided by Bernalillo County departments.

**COUNTY OF BERNALILLO, NEW MEXICO
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>Fiscal Year</u>									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Public Safety										
Sheriff										
Sheriff Stations	4	4	4	4	4	4	4	4	4	4
Fire Department										
Fire Stations	12	12	11	11	10	10	10	10	10	10
Public Works										
Streets (miles)	730	730	728	726	724	724	723	718	717	716
Streetlights (1)	501	501	483	409	388	370	156	156	156	156
Traffic Signals	56	56	55	53	51	51	52	51	51	51
Traffic Flashers (Count)	80	77	73	60	60	130	136	134	134	134
Culture and Recreation										
Parks	25	25	24	23	20	18	18	15	11	11
Swimming pools	5	5	5	5	5	5	5	5	3	3
Tennis courts	9	9	9	9	9	7	7	8	4	4
Community centers	8	8	7	7	7	8	8	7	4	4
Walking trail	18	18	18	17	17	14	14	8	6	6
Basketball court	19	19	19	17	17	18	18	12	6	6
Volleyball Amenities	10	10	10	9	9	9	9	7	5	5
Baseball Field	37	37	35	35	35	35	35	39	26	26
Soccer Fields	27	27	26	26	23	24	24	23	14	14
Playgrounds	40	40	27	25	25	24	24	21	12	12
Picnic Areas	37	35	24	23	23	20	20	20	10	10

(1) Data provided by Public Service Company of New Mexico (PNM).

Source: All data provided by Bernalillo County departments.



COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2013

Grantor Agency and Grant Title	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	NM057		\$ 10,393,487
Section 8 Housing Operating Administrative	14.871	NM057		<u>1,108,827</u>
				11,502,314
Operating Fund Grant (Seybold)	14.850	NM057-00000112D		23,932
Operating Fund Grant (Seybold)	14.850	NM057-00000113D		<u>24,580</u>
				48,512
Capital Fund Grant (Seybold)	14.872	NM02P057501-11		20,518
Section 8 FSS - Homeownership	14.877	NM057 /FSS		118,368
Section 8 Contract Administrators (El Centro)	14.182	NM020003014		172,950
Bridge Blvd. Corridor Redevelopment Plan	14.704	CCPNM0036-10		64,527
Supportive Housing Program	14.251	NM0051B6B001102		51,584
				<u>11,978,773</u>
Total Direct Assistance				
Pass-Through Programs From				
HOME Investments Partnership Program				
2012 Homes	14.239		12-01-BCH-HOR-002	779,490
				<u>779,490</u>
Total Indirect Assistance				
Total U.S. Department of Housing and Urban Development				
				<u>12,758,263</u>
U.S. Department of Transportation				
Direct				
National Infrastructure Investments				
Tiger 2 Bridge Study	20.933	DTFH61-11-H-00010		76,664
Pass-Through Programs From				
NM Department of Transportation				
Highway Planning and Construction				
Eubank Blvd	20.205	L3710	TPU-4063(6)05	1,382,403
Alameda Trail	20.205	L3069	TPU-5094(1)	529,222
Bicycle Monitoring System	20.205	A300120	D13106	59,659
Bridge and Isleta Intersection Safety Project	20.205	A300502	D13429	19,704
Bosque Del Rio Trail	20.205	A300460	D13556/2	701,665
Sunport Blvd.	20.205	A300160	D13112	<u>6,328</u>
Total Highway Planning Cluster				2,698,981
State and Community Highway Safety				
S.t.e.p. 100 Days	20.600		12-PT-DS-008	21,796
Minimum Penalties for Repeat Offenders for Driving				
While Intoxicated				
Operation DWI	20.608		12-AL-64-008	56,910
Operation DWI	20.608		13-AL-64-008 ATTACHMENT A	<u>115,976</u>
				172,886
NM Department of Homeland Security				
Hazmat Conference	20.703	HMHMPO293120100	HMHMP025711010-BERNCO	10,931
				<u>2,904,594</u>
Total Indirect Assistance				
Total U.S. Department of Transportation				
				<u>2,981,258</u>

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2013

Grantor Agency and Grant Title	CFDA Number	Grant Number	Pass-Through Entity Identifying Number	Federal Expenditures
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 13	10.559		3004-2013	175,463
Summer Food Service Program for Children 12	10.559		3004-2012	<u>289,925</u>
				465,388
NM Department of Finance and Administration				
National Forest Reserve Distribution	10.665			<u>31,837</u>
Total U.S. Department of Agriculture				<u>497,225</u>
U.S. Department of Justice				
Direct				
US Marshall's Office				
Equitable Sharing	16.922			501,723
Bureau of Justice Assistance				
SCAAP-direct payments for a specified use	16.606	2012-AP-BX-0060		316,977
SWBPI-direct payments with unrestricted use	16.755	2012BWBX12A05664		<u>58,252</u>
Total Direct Assistance				<u>876,952</u>
Pass-Through Programs From				
JAG Program Cluster				
City of Albuquerque				
E. Byrne Justice Assistance Grant (JAG)2009	16.738	2009-DJ-BX-0267	2009-F6659-NM-DJ	40,045
E. Byrne Justice Assistance Grant (JAG)2010	16.738	2010 JAG AWARD	702052	6,950
E. Byrne Justice Assistance Grant (JAG)2011	16.738	2011-DJ-BX-3379	2011 JAG 2011-DJ-BX-3379	18,450
E. Byrne Justice Assistance Grant (JAG)2012	16.738	2012-DJ-BX-0554	2012 JAG FORMULA-BASED	28,200
New Mexico Dept. of Public Safety				
Edward Byrne Memorial Justice Assist. Grant Prg.				
E. Byrne Justice Assistance Grant (JAG)SWIFT12	16.738	2011-DJ-BX-2431	11-JAG-SWIFT-SFY12	1,477
E. Byrne Justice Assistance Grant (JAG)SWIFT13	16.738	2012-H1127-NM-DJ	12-JAG-SWIFT-SFY13-3/4	86,143
NMGTF-New Mexico Gang Task Force				
NMGTF - Metropolitan Detention Center	16.738		12-JAG-NMGTF-SFY13-1	1,628
NMGTF - Sheriff	16.738		12-JAG-NMGTF-SFY13-1	5,311
City of Albuquerque				
ARRA E. Byrne Justice Assistance Grant (JAG)2010	16.804	2009-SB-B9-1052	CITY OF ABQ INTER-LOCAL	60,386
Total JAG Program Cluster				<u>248,590</u>
New Mexico Dept. of Public Safety				
Project Safe Neighborhoods				
Psn Anti-Gang Grant	16.609	2010-GP-BX-0006	10-PSN-BCSO-SFY11	2,688
New Mexico Children Youth and Families Department				
FY11 Continuum Grant	16.531	2010-JF-FX-0037	11-690-12425-5	212,815
Total Indirect Assistance				<u>464,093</u>
Total U.S. Department of Justice				<u>1,341,045</u>

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2013

Grantor Agency and Grant Title	CFDA Number	Grant Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security				
Direct				
SAFER 2008	97.083	EMW-2007-FF-00758		38,328
Pass-Through Programs From				
NM Department of Homeland Security				
Homeland Security Grant-Cluster				
2010 Homeland Security Equipment	97.067	2009-SS-T0-0011	2010-SS-T0-0011-BERN. CO	67,484
2010 State HS Grant NM Bomb Team Training	97.067	EMW-2010-SS-T0-0011	EMW-2010-SS-T0-0011-BERN	4,274
2011 Homeland Security Equipment	97.067	EMW-2011-SS-00094-S01	EMW-2011-SS-00094-S01-BERN	130,969
2012 Homeland Security Equipment	97.067	EMW-2012-SS-00097-S01	EMW-2012-SS-00097-S01-BERN	38,682
2009 BZPP GRANT	97.067	2009-BF-T9-0001	2009-BF-T9-0001 BERN. CO AM2	143,922
				<u>385,331</u>
EMPG 2012	97.042	EMW-2011-EP-00051	EMW-2011-EP-00051-Bernco	145,798
				<u>531,129</u>
Total Indirect Assistance				<u>531,129</u>
Total U.S. Department of Homeland Security				<u>569,457</u>
U.S. Environmental Protection Agency				
Pass-Through Programs From				
Ciudad Soil and Water Conservation District	66.460	PERMIT # NMR040000	CCN 2010-076	30,600
Total U.S. Environmental Protection Agency				<u>30,600</u>
U.S. Department of Health and Human Services				
Direct				
Community Transformation Grants				
CDC Health 5 year grant-Yr 1	93.531	1U58DP003593-01		227,931
CDC Health 5 year grant-Yr 2	93.531	5U58DP003593-02		253,603
Total Direct Assistance				<u>481,534</u>
Pass-Through Programs From				
State of New Mexico Department of Health				
DOH Cities Readiness Initiative (CRI) 2013	93.074	1U90 TP000537-01	MOA# 13/665.0300.15697	31,413
DOH Cities Readiness Initiative (CRI) 2012	93.069	DOH BT 1213	MOA# 12/665.0300.14437	8,190
				<u>39,603</u>
Total Indirect Assistance				<u>39,603</u>
Total U.S. Department of Health and Human Services				<u>521,137</u>
U.S. Department of Interior				
Direct				
Bureau of Reclamation				
Water Conservation	15.530	R12AP40040		17,711
Total U.S. Department of Interior				<u>17,711</u>
				<u>\$ 18,716,696</u>
				<u>\$ 18,716,696</u>

The accompanying notes are an integral part of this schedule. See next page.

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2013

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Bernalillo under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Because the schedule presents only a selected portion of the operations of the County of Bernalillo, it is not intended to and does not present the financial position, changes in net assets or cash flows of the County of Bernalillo.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-thru entity identifying numbers are presented where available.

**Report of Independent Auditors 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, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund of the County of Bernalillo, New Mexico (the County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual funds and related budgetary comparisons of the County, presented as supplementary information in the table of contents, and have issued our report thereon dated November 15, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be material weaknesses and 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 County'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 2013-9 and 2013-10 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2013-07 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 2013-1 through 2013-6 and 2013-8 through 2013-13.

Bernalillo County's Response to Findings

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
November 15, 2013

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Bernalillo County, New Mexico's (County) compliance with the types of compliance requirements described in the *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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of 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, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-14. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 a 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. *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.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mess Adams LLP

Albuquerque New Mexico
November 15, 2013



**COUNTY OF BERNALILLO, NEW MEXICO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2013**

A. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes No

Identification of Major Programs

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued</i>
14.871	Section 8-Housing Choice Vouchers	Unmodified
20.205	Highway Planning and Construction Cluster	Unmodified
16.738/16.804	E. Byrne Justice Assistance Grant Cluster-ARRA	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$ 561,501

Auditee qualified as low-risk auditee?

Yes No

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

B. FINANCIAL STATEMENT FINDINGS

2013-10 INVESTMENT BID PROCESS, MATERIAL WEAKNESS INTERNAL CONTROL DEFICIENCY AND MATERIAL NONCOMPLIANCE

CONDITION

During our review of the investment bid process, a total of 40 investment transactions were tested. The sample included 22 security purchases and 18 certificates of deposits (CDs).

1. For 22 security purchases tested, there was no documentation that the Treasurer was involved in obtaining the minimum of 2 bids required. The amount of these purchases was \$127,873,357.
2. For 4 security purchases tested, the County could not provide the original bid sheet. The amount of the purchases was \$28,306,301.
3. For 1 security purchase tested, the County could not provide the bid sheet. The amount of the purchase was \$4,955,000.
4. For 3 security purchases tested, the County could not provide the original daily advice of security transactions on file. The amount of the purchases was \$21,441,956. In addition, the County did not adhere to their retention policy.
5. For 4 CDs tested, the County could not provide the original daily advice of security transactions on file. The total amount of these purchases was \$996,000. In addition, the County did not adhere to their retention policy.
6. For 10 CDs tested, the CDs were deposited outside of the County's geographical area. The total amount of these CDs was \$2,487,000.

CRITERIA

1. *(Applies to part 1 of condition)* The investment policy indicates the controls that are required when securities are being purchased or sold. The investment policy under the Investment Controls section No. 8 indicates "when securities are being purchased or sold, the Treasurer will obtain minimum of two bids, however, when both bids for purchases are determined to be good choices for the County, then both bids may be accepted."
2. *(Applies to parts 2 through 5 of condition)* Original and official County investment documentations should be maintained on County premises in accordance with 1.19.6 NMAC.
3. *(Applies to part 6 of condition)* In accordance with section 6-10-36(C) NMSA 1978, requires public money to be placed in interest-bearing deposits in banks and savings and loan associations and it shall be equitably distributed among all banks and savings and loan associations having their main or staffed branch offices within the geographical boundaries of the governmental unit that have qualified as public depositories by reason of insurance of the account by an agency of the United States or by depositing collateral security or by giving bond as provided by law and that desire a deposit of public money pursuant to this section.

EFFECT

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

The County is not in compliance with the investment policy related to the bid process and records retention, which resulted in an unexpected and undesired position for the County. The County has had to reduce budgets and put a hold on needed projects. The lack of original documentation may cause into question the authenticity of documentation. In addition, the County Treasurer's Office violated the retention policy.

CAUSE

1. *(Applies to part 1 of the condition)* The County Treasurer's Office was unaware their policy required the Treasurer to provide input and sign the bid process documentation.
2. *(Applies to parts 2 through 5 of condition)* The County Treasurer's Office was unable to locate nine of the original security or CD documentation. For three of the security documents and one of the CDs originals were stored off site at the former Treasurer's personal office. For one of the bid documents, the original was not maintained. It was unclear as to why the investment policy was not adhered to.
3. *(Applies to part 6 of condition)* The County was not aware that these investments were restricted by the public money act.

RECOMMENDATION

The County should ensure the investment policy is being followed and the County should revise/update the investment policy to include items such as diversification, mitigating market risk in the portfolio, segregation of duties, authorization authority, etc.

MANAGEMENT RESPONSE

The below responses are numbered based off of the conditions stated above under the heading "CONDITION". The Treasurer's Office received several versions of finding FS 2013-10 to reply to. This final version that we are replying to is difficult to respond to in that the "CONDITION" section doesn't track thru to the "CRITERIA" and "CAUSE" sections that the auditor provided.

1. A minimum of (2) bids were obtained for all agency investment transactions. Bernalillo County's investment policy states "All investment trades shall be signed by the Treasurer and co-signed by a Deputy Treasurer or the Investment Officer". All trade authorizations are dually signed by the Treasurer and Deputy Treasurer and all bid sheets are signed by either the Treasurer or Investment Officer. The Treasurer's Office does not agree with this being an audit finding.
2. The four (4) agency investments that did not have original bid sheets were purchased prior to the internal audit recommending centralized storage of all original documents. Bid sheets were completed for these transactions. The original bid sheets were housed off-site and copies were made to store on-site. After the internal audit recommending the centralized storage of original documents, the originals were not able to be located. Therefore we have the copies on-site.

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013

3. One (1) of the agency investments is missing an original or a copy of the bid sheet. This bid sheet was not provided to the Treasurer's Office Accounting Department for storage. This is the only transaction that does not have a copy or an original bid sheet attached to the file.
4. Three (3) securities did not include the original "Daily Advice of Security Transaction" page. Copies of this page were on file for all of these transactions. The original documents were housed off-site and copies were made to store on-site. After the internal audit recommending the centralized storage of original documents, the originals were not able to be located. Therefore we have the copies on-site. Although these three (3) securities contain copies of the "Daily Advice of Security Transaction" page, there is separate original documentation that can be used to verify the authenticity and accuracy of the copy of this page and the transaction itself. The three (3) original "Daily Advice of Security Transaction" pages in question were located on November 18, 2013. The auditor informed the Treasurer's Office that this was too late to be included in the audit report.
5. Four (4) certificates of deposit (CD) didn't include the original "Daily Advice of Security Transaction" page. Copies of this page were on file for all of these transactions. One (1) of the CDs was purchased prior to the internal audit recommending centralized storage of all documents. When the original documents that were stored off-site were combined with the records stored on-site the original documentation was not able to be located. Therefore we have copies on site. The other three (3) CDs have copies of the "Daily Advice of Security Transaction" page due to a Treasurer's Office team member erroneously filing a copy in lieu of the original in the investment records. The importance of filing the original documents has been conveyed to all team members and this error is not anticipated to be repeated. Although these 4 CDs contain copies of the "Daily Advice of Security Transaction" page, there is separate original documentation that can be used to verify the authenticity and accuracy of the copy of this page and the transaction itself.
6. The "certificates of deposit" in question were purchased on the open market and have industry CUSIP numbers associated with them. The Treasurer's Office considers these as investments as opposed to bank deposits. This distinction results in the requirement of certificates of deposit being purchased thru banks that have a branch within the geographical boundaries of the government unit being not applicable. The Treasurer's Office does not agree with this being an audit finding.

CORRECTIVE ACTION PLAN

The below corrective action plans are numbered based off of the conditions and responses stated above under the headings "CONDITION" and "AGENCY RESPONSE". The Treasurer's Office has received several versions of finding FS 2013-10 to reply to. This final version that we are replying to is difficult to respond to in that the "CONDITION" section doesn't track thru to the "CRITERIA" and "CAUSE" sections that the auditor provided.

1. The current investment policy is being reviewed and substantial changes are expected. The Treasurer's Office will continue to have trade authorizations dually signed by the Treasurer

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013

and Deputy Treasurer and bid sheets will continue to be signed by either the Treasurer or Investment Officer until a new investment policy is adopted stating otherwise.

2. Original documentation has been stored exclusively on-site since the conclusion of the internal audit recommending centralized storage of all original documentation. This will continue to be the case. Future findings of this nature are not anticipated to be repeated.
3. Original documentation has been stored exclusively on-site since the conclusion of the internal audit recommending centralized storage of all original documentation. This will continue to be the case. Future findings of this nature are not anticipated to be repeated.
4. Original documentation has been stored exclusively on-site since the conclusion of the internal audit recommending centralized storage of all original documentation. This will continue to be the case. Future findings of this nature are not anticipated to be repeated.
5. Original documentation has been stored exclusively on-site since the conclusion of the internal audit recommending centralized storage of all original documentation. This will continue to be the case. Current and future team members have been will be informed of the importance of keeping the original documentation on file for all transactions. Future findings of this nature are not anticipated to be repeated.
6. The Treasurer's Office will continue to invest in certificates of deposit within the geographical boundaries of the governmental unit.

AUDITOR REBUTTAL

(Applies to part 1 of the condition) As previously indicated in the criteria, the Bernalillo County Investment Policy No. 2-14-2012 indicates that "when securities are being purchased or sold, the Treasurer will obtain a minimum of two bids." The Treasurer's Office corrective action plan doesn't respond to the failure to follow policy regarding bid sheets. There was no evidence on the "bid sheet" tested for any security purchased that the Treasurer was involved in obtaining the bids from brokers as they were always signed by the Investment Officer. The trade authorization form does not indicate the Treasurer obtaining bids.

(Applies to part 4 of the condition) We requested the **original** documentation on October 23, 2013, but they failed to provide us the documentation. Another request was made on November 4, 2013 to obtain this documentation; however, they failed to provide it. As is common in the course of an audit, auditors presented management with findings and management was provided the opportunity to respond.

(Applies to part 6 of the condition) The Treasurer's Office purchased certificate of deposits with banks outside of the County's geographical area. In accordance with section 6-10-36(c) NMSA 1978, all public money must be deposited in banks and savings and loan associations within the geographical boundaries.

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

2013-9 DECREASE IN THE FAIR VALUE OF INVESTMENTS, VIOLATION OF INVESTMENT POLICY, MATERIAL WEAKNESS INTERNAL CONTROL DEFICIENCY AND MATERIAL NONCOMPLIANCE

CONDITION

As of June 30, 2013, the County had a decrease in the fair value of investments (mark to market) of \$12,814,794. Approximately, ninety-two (92) percent of the investments included in the portfolio have a weighted average maturity of 11.44 years, and a portfolio duration of 8.21 years, assuming no calls will be made. The County lacked internal controls over cash flow projections and in managing investment liquidity.

CRITERIA

The investment policy requires the Treasurer to maintain the liquidity necessary to meet the County's daily cash requirement, and produce the maximum investment revenue. In addition, the policy requires the County's investment portfolio to remain sufficiently liquid to enable the County to adequately meet all its day-to-day operation requirements. Additionally, priority will be given to investments that assure liquidity. Further, the policy references 6-8-10 NMSA 1978, which relates to investments being in accordance with the prudent investor rule set forth in the Uniform Prudent Investor Act 45-7-6 NMSA 1978.

EFFECT

The County could experience significant recognized losses in the financial statements that could materially impact future cash flows of the County and the overall budget and services provided.

CAUSE

The County lacked adequate controls to monitor cash flows and liquidity and an increase in market interest rates resulted in the underlying value of the portfolio holdings to decrease putting the County at risk for future losses.

RECOMMENDATION

The County should revise/update the investment policy to include items such as diversification, mitigating market risk in the portfolio, segregation of duties, authorization authority, etc. The County should maintain timely cash flow projections to ensure the liquidity of the County.

MANAGEMENT RESPONSE

Liquidity needs of the County have been and will continue to be met. \$30.1 million in bonds were sold in the months of August 2013 and September 2013 at a loss of \$758,050 to the County. Future bond sales and losses of this nature are not expected to occur.

CORRECTIVE ACTION PLAN

The Bernalillo County Treasurer's Investment Committee has established a sub-committee to draft a new investment policy that the Bernalillo County Board of Finance and the Treasurer's Office can

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

agree on. Substantial changes to the investment policy are expected. These changes are anticipated to address future concerns of this nature.

2013-7: IMPROVE IT GENERAL CONTROLS, SIGNIFICANT DEFICIENCY

CONDITION

During our review of surrounding IT (Information Technology) general controls that are significant to financial reporting, we noted the following:

- (a) There is no Disaster Recovery Plan that will provide guidance to the County in a recovery effort in case of a disaster.
- (b) There is no Incident Response Plan that will guide the County in addressing identified risk or incident.
- (c) We noted that several departments are using applications that are hosted by vendors, and that the County has no IT Vendor Assessment Policy in place to assess vendors' surrounding controls.
- (d) Batch processing jobs (nightly jobs) in the ERP system are scheduled to run automatically. We noted that there is no mechanism to review the status of the jobs.
- (e) We are made aware of an instance where audit logs for one of the applications had been disabled. Further review noted that this has been done to correct a processing issue and that audit trails can still be restructured from set of database tables in the system.
- (f) Network and ERP password length is at least 6 characters, compared to industry standards of 8 characters.

CRITERIA

IT, including systems and infrastructure are essential and integral to the efficiency of the County's operations. IT internal controls are essential to maintain the confidentiality, integrity, and availability of data. IT internal controls are as important as the internal controls that surround the input of financial transactions into the County's general ledger.

In accordance with ISACA's Control Objectives for Information and related Technology (COBIT) 4.1, framework (DS4, Ensure Continuous Service), a Disaster Recovery Plan needs to be developed and tested to reduce impact of a major disruption on key business functions and processes. Framework DS5 (Ensure System Security) provides that the need to maintain integrity of information and protect IT assets requires a security management process. This process includes establishing and maintain IT security and roles and responsibilities, policies, standards, and procedures. Security management also includes performing security monitoring and periodic testing and implementing corrective actions for identified security weakness or incidents. Effective security management protects all IT assets to minimize the business/financial impact of security vulnerabilities and incidents.

EFFECT

The absence of a formal Disaster Recovery Plan may pose question as to the County's ability to respond and recover its critical data and applications in the event of an unforeseen disaster.

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013

Without strong internal controls over the County's IT infrastructure and the ERP system, there is the potential for the confidentiality, integrity, and/or availability of data to be compromised. This compromise could be by an internal user of the system, by an external source (hacker), could be intentional or unintentional, and could be the result of a disaster. In order to continue this improvement and implement the approved IT policies, the IT Department needs the support of County's management and the cooperation of County's employees.

CAUSE

The County is still in the process of developing and improving its processes and procedures.

RECOMMENDATION

We recommend the following:

- (a) Develop a formal Disaster Recovery Plan that should be comprehensive in scope covering staff roles and responsibilities, system recovery steps, data restoration procedures, and how to maintain business operations. It would be prudent for the County to test the Disaster Recovery Plan to ensure the viability of the plan and the timeliness of its execution. We also recommend that the County consider having a redundant server, especially for the ERP system.
- (b) Develop an Incident Response Plan to ensure consistent and coordinated effort in case of any critical incident. This plan can be incorporated in the overall Security Plan if present.
- (c) Develop an IT Vendor Assessment Policy. This should cover due diligence before selecting a vendor as well as continuing assessment such as review of vendor's SSAE 16 report (Service Organization Control Report).
- (d) Implement a formal mechanism to review nightly jobs such as alert notification to ensure that any error in the processing is timely and properly addressed.
- (e) We recommend review of users' access control listing for the application where audit trail has been disabled by a user. This is to ensure access is granted on a "need to know" basis in accordance with users' roles and responsibilities.
- (f) Password length should be set to at least 8 characters consistent with industry standards. This will strengthen overall system and application security.

MANAGEMENT RESPONSE

- (a.) Concur, we are aware of this issue and have been working on creating a Disaster recovery Plan.
- (b.) Concur.
- (c.) IT is aware of the issue and has been formulating an IT vendor assessment policy.
- (d.) ERP agrees that a formal mechanism to review batch jobs must be implemented to insure that errors in the processing logs are addressed properly and in a timely manner.
- (e.) IT staff was aware of this issue and working with the department to correct. ERP disagrees with this finding in that terminated employees are disabled in the SAP system versus deleted from the system.

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- (f.) Concur: IT was aware of the network six character password requirement and was working to change the password requirement to eight characters. Two departments have already been moved to the eight character requirement.

CORRECTIVE ACTION PLAN

- (a.) The IT and ERP departments will work together to develop an ERP Disaster Recovery Plan and request budget to implement.
- (b.) The IT security group will develop an incident response plan within the coming year.
- (c.) The IT security group will develop an IT vendor assessment policy within the first quarter of 2014.
- (d.) ERP is currently performing a required update of our Solution Manager (SolMan) Toolset that will include activating a formal background job monitoring mechanism to insure that errors in processing are properly addressed in a timely fashion. The initial upgrade of SolMan to be completed by December 31, 2013 with activation of job monitoring functionality to occur after upgrade and to be completed by June 30, 2014.
- (e.) All users' access to IAS World has been reviewed. Only individuals responsible for granting permissions and roles have administrative access. These individuals also approve any requested changes in the system ensuring only those with a need to know are granted access.
- (f.) IT will implement eight character requirement across the enterprise during the upcoming year. ERP will work directly with IT Network group to develop a roll-out strategy for the password changes required to access the SAP system as they are systematically making these changes now for county departments. Will work with IT to insure that the SAP password policy is fully developed and implemented for ERP by June 30, 2014.

2013-13 INVESTMENT COMMITTEE MINUTES, NONCOMPLIANCE

CONDITION

The Investment Committee was created by Bernalillo County Investment Policy No. 2-14-2012. The Investment Committee is charged with the following responsibilities (among others): "Monitor the investment transactions to insure that proper controls are in place to guarantee the integrity and security of the [County] Treasurer's investment portfolio; Review that current State laws and policies of the Bernalillo County Board of Finance are being adhered to by the Office of the County Treasurer; Meet as appropriate, but not less than quarterly, to deliberate on such topics as economic outlook, portfolio diversification and maturity structure, potential risks and the target rate of return on the investment portfolio; Authorize and recommend depositories, custodians and broker/dealers [for inclusion on the Treasurer's list of approved investment managers]."

The auditors requested *original* minutes from Investment Committee meetings from June 2010 to July 2013 and were provided copies by the County Treasurer staff. The auditors then asked again to see the *original* meeting minutes. County Treasurer staff then provided a different set of meeting minutes maintained in three-ring binders that were represented by staff as being "original," some of which appeared to be original versions, while others appeared to be copies.

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Upon review of the two different sets of meeting minutes provided by County Treasurer staff, auditors noted the following discrepancies between the two different sets of meeting minutes:

1. The June 2010, February 2011, and October 2011 investment committee minutes indicated "draft" on the document, insinuating they were not approved by the Investment Committee at their next scheduled regular meeting. Upon review of the next scheduled meeting minutes the prior meeting minutes were approved.
2. The two versions of the July 2010 meeting minutes County Treasurer staff provided to auditors were inconsistent with one another. The following discrepancy was noted.
 - a. The version identified by County Treasurer staff as original contained the entry "None" under the category "Old Business." The version identified by County Treasurer staff as a copy, however, contained the following entry under the category "Old Business:" *"The annual review of the investment policy was conducted by the Committee. After a review of the Policy, the Committee determined that no revisions to the current Policy are necessary. The Chairman stated that since no changes will be made to the August 25, 2009 Investment Policy will remain in effect. Therefore, the Committee will not include a review of the Investment Policy on the Board of Finance Agenda for 2010."*
3. County Staff were unable to locate or provide an original version of the December 2010 minutes even though they were able to provide a copied version of those meeting minutes.

In addition to these discrepancies, there is no indication in the meetings minutes provided by County Treasurer staff that the Investment Committee determined on an annual basis what notice for a public meeting is reasonable when applied to them. There is also no evidence that the Investment Committee provided twenty-four hours public notice of its meetings, including an agenda containing a list of specific items of business to be discussed or transacted or information on how the public may obtain a copy of such agenda.

CRITERIA

Section 10-15-1(B) NMSA, 1978, of the Open Meetings Act provides in pertinent part that "[a]ll meetings of a quorum of members of any board, commission... or other policymaking body of... any agency or authority of any county... held for the purpose of formulating public policy..., discussing public business or taking action within the authority of or the delegated authority of any board commission or other policymaking body are declared to be public meeting open to the public at all times except as otherwise provided in the constitution of New Mexico or the Open Meetings Act."

Section 10-15-1(G) NMSA, 1978, of the Open Meetings Act provides in pertinent part that "...the policymaking body shall keep written minutes of all its meetings. The minutes shall include at a minimum the date, time and place of the meeting, the names of members in attendance and those absent, the substance of the proposals considered and a record of any decision and votes taken that show how each member voted. All minutes are open to public inspection. Draft minutes shall be prepared within ten working days after the meeting and shall be approved, amended, or disapproved at the next meeting where a quorum is present. Minutes shall not become official until approved by the policymaking body."

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Section 10-15-1(D) NMSA, 1978, of the Open Meetings Act provides in pertinent part that “[a]ny meetings at which the discussion or adoption of any proposed resolution, rule, regulation or formal action occurs and at which a majority or quorum of the body is in attendance, and any closed meetings, shall be held only after reasonable notice to the public. The affected body shall determine at least annually in a public meeting what notice for a public meeting is reasonable when applied to that body. That notice shall include broadcast stations licensed by the federal communications commission and newspapers of general circulation that have provided a written request for such notice.”

Section 10-15-1(F) NMSA, 1978, of the Open Meetings Act provides in pertinent part that “[m]eeting notices shall include an agenda containing a list of specific items of business to be discussed or transacted at the meeting or information on how the public may obtain a copy of such an agenda... [which notices shall be made available to the public] at least twenty-four hours prior to the meeting... and posted on the public body’s web site, if one is maintained.” (NOTE: this provision of the code was amended in 2013 to require seventy-two hours of notice to the public, but since the records reviewed pre-date that amendment, the auditor is reviewing this condition in accordance with the prior applicable statutory requirement.)

Section 1.15.2.119 NMAC (records retention for general administrative records) indicates that minutes of meetings of boards, commissions or other policy making bodies, as defined in Open Meetings Act (Section 10-15-1 NMSA 1978) are to be retained permanently.

EFFECT

The Treasurer’s Office is not following the Open Meetings Act with respect to properly maintaining meeting minutes of the Investment Committee, ensuring draft minutes are properly reviewed and approved, maintaining approved final minutes, establishing proper public notification protocols, and ensuring adequate public notice of public meetings. The Treasurer’s Office is not following records retention requirements as outlined in the NMAC with regards to minutes and it is unclear as to which minutes were the original minutes approved by the investment committee.

CAUSE

The County Treasurer's interpretation of the Open Meeting Act is that it does not apply to the Investment Committee on the basis that the Investment Committee only advises the County Treasurer. Moreover, the County Treasurer fails to explain the discrepancies between Investment Committee meeting minutes and instead makes the assertion that the Investment Committee is not required to keep meeting minutes. If that is true, then there is no formal process for the Investment Committee to document which "Brokers, Dealers, and Banks" they have authorized the County Treasurer to use, which calls into question ALL investments made by the County Treasurer as a violation of the County's Investment Policy.

RECOMMENDATION

The Treasurer’s Office should ensure that the official proceedings of the investment committee follow the New Mexico Administrative Code with respect to the Open Meeting Act as well as their policies and procedures. In addition, minutes should accurately reflect the meetings and document

**COUNTY OF BERNALILLO, NEW MEXICO
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any changes based on the actual events that occurred. Further, any modifications to approved minutes should be processed as amendments.

MANANGEMENT RESPONSE

We disagree with this finding.

Section 10-15-1(B) NMSA, 1978, of the Open Meetings Act provides in pertinent part that “[a]ll meetings of a quorum of members of any board, commission... or other **policymaking body** of... any agency or authority of any county... held for the purpose of formulating public policy..., discussing public business or taking action within the authority of or the delegated authority of any board commission or other policymaking body are declared to be public meeting open to the public at all times except as otherwise provided in the constitution of New Mexico or the Open Meetings Act.”

Investment Policy No. 2-14-2012 states in part: “The specific purpose and responsibility of the Committee is to **advise** the County Treasurer in establishing, maintaining and administering the County’s investment policy.”

This is an advisory committee to the County Treasurer, it simply is not a policy making body and there is no requirement of any kind that meeting minutes be taken. Further, despite the assertion somehow that minutes are required to be taken, there again is simply no such requirement. As a matter of practice, although there is no requirement that it be done, the minutes are taken by recorder and may have been transcribed by one or more staff members.

CORRECTIVE ACTION PLAN

None needed.

AUDITOR REBUTTAL

The Open Meetings Act, Section 10-15-1 NMSA, 1978, et seq., provides that “it is declared to be public policy of this state that all persons are entitled to the greatest possible information regarding the affairs of government and the official acts of those officers and employees who represent them...” and that “[a]ll meetings of any public body except the legislature and the courts shall be public meetings...” Section 10-15-1(A) NMSA, 1978.

Section 10-15-1(B) of the Open Meetings Act provides in pertinent part that “all meetings of a quorum of members of any... agency or authority of any county... held for the purpose of... discussing public business, or for the purpose of taking any action within the authority of or the delegated authority of any... commission... are declared to be public meetings open to the public at all times....”

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Bernalillo County Investment Policy No. 2-14-2012 (the "County Investment Policy"), was adopted (as amended) by the Bernalillo County Board of Finance (the County Commission) on February 14, 2012, "to insure that the public funds [of the county] are safe and available when needed."

The County Investment Policy requires that an Investment Committee be created at the beginning of each four year term of the County Treasurer. The Investment Committee is required to meet "not less than quarterly." In addition, the Investment Committee is charged with, among other things, "[m]onitor[ing] the investment transactions [of the County Treasurer] to insure that proper controls are in place to guarantee the integrity and security of the Treasurer's investment portfolio;" to "[r]eview that current State laws and policies of the Bernalillo County Board of Finance are being adhered to by the Office of the County Treasurer;" and to "[a]uthorize and recommend depositories, custodians and broker/dealers" with whom the County Treasurer may make investments of public funds. (See page 2 and 3 of the County Investment Policy).

Moreover, the County Investment Policy specifically provides that the County Treasurer "shall use only Brokers, Dealers, and Banks ***accepted and approved by the Investment Committee.***" (See page 4 of the County Investment Policy, emphasis added).

The Bernalillo County Investment Committee is public body for purposes of the Open Meetings Act. Moreover, the Investment Committee conducts public business as contemplated by the Open Meetings Act - public business that should be open to the scrutiny of the public to whom these officials serve. The Investment Committee conducts public business by monitoring the activities of the County Treasurer, including the County Treasurer's investment portfolio diversification and maturity structure, identifying potential risks of the Treasurers investments, and determining target rates of return for the Treasurer's investment of public funds. The Investment Committee also conducts public business by insuring proper controls are place to guarantee the integrity and security of the Treasurer's investment portfolio. Finally the County Treasurer is prohibited from using any brokers, dealers or banks not approved by the Investment Committee. There is no question that all of these responsibilities fall within the general category of public business, and considering current debate over the Treasurer's recent investment transactions, there can be no doubt that the meetings, deliberations and actions of the Investment Committee are of great importance to the public.

The Open Meetings Act requires that all meetings of any public body except the legislature and the courts shall be public meetings, and anyone so desiring may attend the proceedings. When a meeting is conducted for any of the following purposes - formulating public policy, discussing public business, or taking any action within the authority of a public body - the meeting must be open to the public.

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The Bernalillo County Investment Committee is a public body that not only discusses public business, but makes real and substantive decisions as to the nature, requirements and repositories for investments of public funds by the Bernalillo County Treasurer. Each and every meeting of a quorum of the Investment Committee is a public meeting subject to the requirements of the Open Meetings Act. The County Treasurer and the Investment Committee have failed to recognize this requirement, and the significance of the Investment Committee's role in the operation of the County Treasurer's office.

2013-8 INVESTMENT POLICY - INVESTMENT COMMITTEE, CONFLICT OF INTEREST, NONCOMPLIANCE

CONDITION

During our review of the investment policy we noted the following items:

1. During our review of the investment committee meeting minutes it was noted the investment policy is still under review to be revised, as such a new investment committee was not appointed when the new Treasurer took office in January 2013.
2. Employees with purchasing authority on investments should document that there are no conflict of interests.
3. During our review of a FINRA Broker Check Report, we noted one broker who had been alleged to have been overcharging counties for bonds that resulted in paid settlements from such overcharges. The broker submitted the same "disclosure event details" from FINRA to the County Treasurer's Office during the broker approval process.

CRITERIA

1. The investment policy indicates that the investment policy is to be reviewed annually, as necessary and appropriate by the Treasurer and the Board of Finance. The Bernalillo County Treasurer shall appoint an Investment Committee at the beginning of each four-year term of office. Four of the appointments require either joint approval or approval of another governing body; therefore, "status quo" of the Investment Committee is not in compliance with the Investment Policy.
2. The County should ensure individuals with purchasing authority do not have conflict of interests with potential brokers.
3. The County's investment policy lacks policies specific to performing due diligence procedures on brokers.

EFFECT

1. The County was not in compliance with the investment policy as approved by the Board of Finance and the County Treasurer.
2. The County is subject to higher risk without the proper internal controls in place over conflicts of interest.
3. The County may have been exposed to investment purchasing risk.

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CAUSE

1. The prior County Treasurer wanted to ensure the newly elected official could implement a revised policy; therefore, they waited until the new official took office. County officials cannot agree on a revised policy.
2. The County Treasurer was not aware that conflict of interests need to be documented.
3. The County lacked adequate broker due diligence policies.

RECOMMENDATION

The County should revise/update the investment policy to ensure they are compliant with the requirements set forth in the document. Further, all employees and officials with purchasing authority should be required to complete conflict of interest forms on an annual basis, at a minimum, and update those forms when necessary. The County should also consider performing FINRA broker checks prior to doing business with brokers.

MANAGEMENT RESPONSE

1. The investment policy has been in the process of being reviewed and revised by the Treasurer's Investment Committee. This review and revision process began in March of 2013 and an agreement has yet to be reached between the Bernalillo County Board of Finance and the Bernalillo County Treasurer's Office on the investment policy changes. The Treasurer feels that the existing members of the Investment Committee were well suited to continue serving in their respective capacity on the Investment Committee. The Treasurer's Office does not agree with this being an audit finding.
2. The Treasurer doesn't have a written conflict of interest form. It is understood that all individuals within the Treasurer's Office will act with integrity and in the best interest of Bernalillo County residents.
3. We disagree with this finding. The Bernalillo County Investment Policy Investment Control Section Number 10 states "The Treasurer shall use only Brokers, Dealers, and Banks accepted and approved by the Investment Committee. The brokers used shall be licensed dealers and shall bid on a competitive basis. The Treasurer may use the State Treasurer's criteria for selection Brokers, Dealers, and Banks." This process is being followed. Furthermore, each Broker must complete a Broker/Dealer questionnaire prior to engaging in business with Bernalillo County. This Broker/Dealer questionnaire is an extensive review of the Brokerage firm. These documents are then submitted to the Investment Committee for approval.

CORRECTIVE ACTION PLAN

1. The Bernalillo County Treasurer's Investment Committee has created a sub-committee to draft a new investment policy that both the Board of Finance and the Treasurer's Office can agree on. Substantial changes to the investment policy are expected. These changes are anticipated to clarify the obligations of the Treasurer and his appointment of the Investment Committee and what constitutes an annual review of the investment policy.
2. A written conflict of interest form will be completed by all employees and officials with investment purchasing authority promptly.

**COUNTY OF BERNALILLO, NEW MEXICO
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3. We will continue to follow the current investment policy until it is revised.

AUDITOR REBUTTAL

(Applies to part 1 of the condition) Four of the appointments require either joint approval or approval of another governing body; therefore, "status quo" of the Investment Committee is not in compliance with the Investment Policy.

(Applies to part 3 of the condition) The Treasurer's Office still needs to update their policies with regards to approving brokers, as a broker with questionable activity was approved.

2013-11 HUMAN RESOURCES – PERSONNEL FILES, NONCOMPLIANCE

CONDITION

During our review of personnel files, it was noted that an individual signed their own pay raise, on a personnel action form, to be effective January 1, 2009. The pay raise was an increase of \$4.1077 per hour from \$27.3832 per hour to \$31.4909 per hour. Another employee received the same increase, approved by the other individual that received the increase with self-approval. Both pay increases were processed without proper documentation or support for the increases.

CRITERIA

The County could not provide guidance on elected official appointed employee's pay other than the following:

The Treasurer's Office and HR processed the two pay increases under an "observed" "200 percent rule" that limits appointed officials to 200 percent of the respective elected official's salary set by statute. However, the County Attorney has provided a legal opinion to the Deputy County Manager indicating that this "rule" is not valid as it was not officially approved as resolution. It was also noted that the guidance is inconsistent.

EFFECT

Pay increases may have been processed without proper authorization and allowing self-approval of one's pay circumvents controls over that process and the proper expenditure of funds.

CAUSE

It appears as though HR and the Treasurer's office were processing pay increase for appointees under an unapproved rule.

RECOMMENDATION

The County should review and monitor their internal controls to ensure that controls cannot be overwritten by employees and provide trainings to employees who are signing off on the personnel action forms. Further, there should be clear and appropriate guidance set by HR on the documentation needed and authority and related approval of all county elected official appointee salaries prior to processing pay increases.

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MANAGEMENT RESPONSE

County Treasurer, at that time gave the two appointed deputies ongoing signature authority. The HR Department routinely received employment action forms with the Deputy Treasurer signing for the department. The Deputy Treasurer was designated by the County Treasurer to handle the day-to-day and personnel issues for the department. The other Deputy Treasurer was designated by the County Treasurer to handle all accounting/finance related functions.

For at least twenty years, the County has observed a “200 percent rule” in establishing the salaries of appointed deputies of elected officials. Imposing such a rule clearly is within the authority of the Board; however, the County has been unable to locate a properly executed resolution which reflects that any Board of County Commissioners, past or present, passed such a resolution.

CORRECTIVE ACTION PLAN

HR to confer with the elected official to review signature authority procedures in order to address this finding.

Going forward, the County will look at developing a policy that will address the appointed positions’ salaries and their potential limitations.

2013-12 VIOLATION OF THE BERNALILLO COUNTY CODE OF ETHICS, NONCOMPLIANCE

CONDITION

A candidate for county treasurer who at the time was also the Investment Officer of the county treasurer’s office who had authority over the investment of public money accepted a campaign contribution of \$2,500 from a person who is a prohibited source. The Campaign Reporting Act Report of Expenditures and Contributions shows the monetary contribution made on October 11, 2011 (the prohibited source indicates the contribution was made on September 26, 2011). The county treasurer’s office purchased approximately \$1.0 million in bonds on July 21, 2010, at which time the prohibited source was the broker representing the brokerage firm. Additionally, the county treasurer’s office purchased approximately \$5.0 million in bonds on May 15, 2013 from the same brokerage firm.

The county treasurer’s office has indicated that the prohibited source terminated employment on July 12, 2011, with the brokerage firm; however, the county treasurer’s office indicating they were not notified by the brokerage firm, or otherwise aware, that the prohibited source terminated employment until October 28, 2011.

CRITERIA

The Bernalillo County Code, Article III, Division 4, Code of Ethics, provides the fiduciary duty of “elected officials, employees and volunteers shall at all times in the performance of their public duties owe a fiduciary duty to the county” (Sec. 2-130(a)).

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The Bernalillo County Investment Policy No. 2-14-2014 requires the Investment Officer to take part in the Investment Committee meetings as the Vice Chairman of the Committee (which is a permanent member position of the Committee). The investment policy further requires the Treasurer to “use only Brokers, Dealers, and Banks accepted and approved by the Investment Committee.” Additionally, the investment policy requires that “all investment trades shall be signed by the Treasurer and co-signed by a Deputy Treasurer or the Investment Officer.”

The investment policy indicates “all persons involved either directly or indirectly in the County investment program shall refrain from activities that give the appearance of conflict of interest and shall act in a manner described in the Bernalillo County Code of Ethics, Sections 2-126 to 2-132, Bernalillo County Code.” As such, the Investment Officer would be required to adhere to this requirement.

The Bernalillo County Code of Ethics, provides in pertinent part that “No candidate or elected official shall accept any campaign contribution in excess of \$1,000.00 per primary, general or special election, from any prohibited source...” (Sec. 2-130(g)(2)).

A prohibited source is defined as “any person or entity who ... does business with or seeks to do business with ... or has interests that may be substantially affected by the performance or non-performance of the official duties of the elected official, volunteer or employee” (Sec. 2-129 Code of Ethics).

EFFECT

The County Investment Officer, who was a candidate, appears to have violated and is not in compliance with Bernalillo County’s Code of Ethics Chapter 2, Division 4, Sections 2-129, 2-130(a) and (g)(2), and the Investment Policy.

CAUSE

The candidate for county treasurer who was the Investment Officer accepted a campaign contribution from a prohibited source because there was not a process in place to identify prohibited contributors.

RECOMMENDATION

Policies and procedures should be set to ensure compliance with the Bernalillo County Code of Ethics and the Investment Policy.

MANAGEMENT RESPONSE

We do not agree with this finding.

Proposed Finding FS 2013-12 lacks legal and factual merit. First, the cited section (“Sec. 2-130(g)(2)”) does not proscribe the claimed activity including what the Auditor describes as a “prohibited source.” Instead, the actual language presumably relating to the respective restriction at issue is found in Section 2-130(h)(2) which actually provides:

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No candidate or elected official shall accept any campaign contribution in excess of \$1,000.00, per primary, general or special election, from any restricted donor or in violation of any federal or state statute or regulation, or any county ordinance, rule or regulation. This ban applies to and includes immediate family members of the restricted donor. No restricted donor shall offer or make a contribution that violates this division. No candidate or elected official shall accept a campaign contribution from an individual or group of individuals when the candidate or elected official knows, or has reason to believe, that the original source of the campaign contribution was a restricted donor.

Further, the respective Code of Conduct defines a Restricted Donor as “any person or entity who:

- (1) Is seeking official action (i) by an elected official or volunteer, or (ii) in the case of an employee by the employee or by an elected official, a county department or an employee's supervisor;
- (2) Does business with or seeks to do business (i) with the board of county commissioners, the county, an elected official or volunteer, or (ii) in the case of an employee, with an employee or his/her department, elected office or an employee's supervisor;
- (3) Conducts activities regulated (i) by an elected official or volunteer, or (ii) in the case of an employee, with the employee or his/her department or the employee's supervisor; or
- (4) Has interests that may be substantially affected by the performance or nonperformance of the official duties of the elected official, volunteer or employee.”

In light of this definition, the donors in this matter simply are not “Restricted Donors” as defined by the Code of Conduct or otherwise. They have not sought official action, they do not do business with Bernalillo County, they do not conduct activities regulated by the Bernalillo County Treasurer's Office and in the end, have no interests that may be substantially affected by the duties conducted by the Bernalillo County Treasurer. These donors formed a new company and these individuals and their company conduct no business with Bernalillo County and don't otherwise meet any of the four (4) definitions previously enumerated.

The individual inferred to in this finding left employment with the vendor in question on July 12, 2011.

The individual was still on the approved brokers listing on 9-22-11 because it was between investment committee meetings. There was a meeting on 6/30/11 the next meeting was on 10/27/11 so on 9/22/11 the individual would still be on list. We were not notified by the vendor on this change until 10/28/11 the day after the meeting. The individual in question was replaced during the meeting on 12/01/11.

CORRECTIVE ACTION PLAN

No action necessary.

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AUDITOR REBUTTAL

The Code of Conduct (Ordinance No. 2102-13) in the management response became effective on August 14, 2012, when the Board of County Commissioners repealed the Bernalillo County Code of Ethics, Bernalillo County Code of Ordinances Section 2-126 et. Seq. As such, the response is erroneous. Further, in the county treasurer's office response they point out, as noted in the condition, that they were not aware the prohibited source had left the brokerage firm until October 28, 2011.

2013-5 REPORTING OF CASH, NONCOMPLIANCE IN ACCORDANCE WITH THE NEW MEXICO STATE AUDIT RULE

CONDITION

The County did not have proper procedures in place to ensure cash was reported accurately in the financial statements. During our review of bank accounts the following was noted:

1. The County did not include the "cafeteria account" bank account as an agency fund in their fiscal year 2013 financial statements. An audit adjustment of \$151,947 was made subsequent to the auditor's discovery. In addition, the account was not included on the schedule of bank accounts.
2. The County also misreported an investment account of \$159,124, related to the Housing Authority, as a separate investment account on the original schedule that was received; however, these monies are included in pooled cash.
3. The Wells Fargo Trust money market investment account of \$10,460,904 was included on the schedule of pledge collateral; however, this type of investment is not collateralized or backed by governmental agencies.

CRITERIA

1. Governmental Accounting Standards Board (GASB) statement No. 34 paragraph 73 requires resources held by the reporting government in a purely custodial capacity (assets equal liabilities) to be reported as an agency fund.
2. In accordance with 12-6-5(A) NMSA 1978, each audit report shall include a list of individual deposit accounts and investment accounts held by the agency.
3. In accordance with 2.2.2.10(N)(4) NMAC, the schedule of pledged collateral should only include monies held at banks and/or savings and loan associations.

EFFECT

1. The County misreported the statement of fiduciary assets and liabilities-agency funds due to the error.
2. The schedule of bank accounts prepared did not adequately reflect all bank accounts held by the County during the fiscal year.
3. The schedule of pledged collateral erroneously included the money market account.

CAUSE

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YEAR ENDED JUNE 30, 2013**

1. The "cafeteria account" was not considered an agency fund since the program is administered by BASIC, a third party administrator.
2. Housing Department funds invested by the County is reported on a separate line on the Housing financial statements as an investment and also listed as a separate bank account on the Schedule of Bank Accounts.
3. Checking savings and money market accounts were include on the collateral report as accounts held at Wells Fargo.

RECOMMENDATION

The County should ensure that all accounts are included in the financial statements and schedules and adequately reports the cash in the proper manner for bank accounts that the County maintains.

MANAGEMENT RESPONSE

1. The "cafeteria account", although administered by third party, is fiduciary in nature and should be included as an agency fund.
2. The Housing Department funds invested by the County were properly reported on the Housing financials. The investment should not have been listed separately as a bank account on the Schedule of Bank Accounts. In effect, the total pooled cash was not overstated since the investment amount was included in the total pool of county investments and eliminated as a bank clearing item.
3. The money market was included on the collateral report since it was an account held at Wells Fargo Trust. The nature of the money market does not require collateralization and does not need to be listed on the collateral report.

CORRECTIVE ACTION PLAN

1. The "cafeteria account" has been added as an agency fund and also added the Schedule of Bank Accounts.
2. The Housing Department fund investment has been removed from the Schedule of Bank Accounts and rebalanced.
3. The money market account has been removed from the pledged collateral report.

2013-6 STALE-DATED CHECKS, NONCOMPLIANCE IN ACCORDANCE WITH THE NEW MEXICO STATE AUDIT RULE

CONDITION

During review of the bank reconciliations, we noted 3 checks out of 10 checks tested, which were dated June 30, 2008 that were not properly cancelled. The total amount of the checks was \$154,607.

CRITERIA

New Mexico Statutes, Section 6-10-57, NMSA 1978 compilation requires local public bodies to cancel checks that are unpaid for one year after they become payable.

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

EFFECT

The County is not in compliance with state statute regarding stale-dated checks.

CAUSE

The checks in question are checks that date back to April of 2004 and prior and were issued under previous administration and management. The reason that the checks have not been stale dated or escheated to the State of NM is because the records pertaining to the reason these checks were originally issued are unavailable.

RECOMMENDATION

We recommend that the County implement a procedure to monitor outstanding checks, and that all stale dated checks are reclassified as liabilities and escheated to the state when required.

MANAGEMENT RESPONSE

The Treasurer's Office Accounting Department has a procedure in place to stale date checks issued in the current accounting system each month. This procedure is being followed correctly and timely. Of the 3 checks in question, 2 of them are not individual checks. Rather, they are balances of several checks that were converted from a previous accounting system. The checks in question predate the current accounting system as well as the current Chief Deputy Treasurer and current Treasury Accounting Manager's tenure at the Treasurer's Office. Records for the original reason for the issuance of these checks are unavailable which makes it difficult to accurately reclassify these checks as liabilities and/or escheat to the State of NM.

CORRECTIVE ACTION PLAN

These checks will be reclassified as liabilities and/or escheated to the State of NM by November 30, 2013.

2013-1 IRS EMPLOYEE INCOME TAX COMPLIANCE ISSUES - EDUCATIONAL ASSISTANCE, TAKE-HOME VEHICLES, NONCOMPLIANCE IN ACCORDANCE WITH THE NEW MEXICO STATE AUDIT RULE

CONDITION

During our review of IRS employee income tax compliance the following issues were noted:

1. The County is not properly tracking take-home vehicles to ensure that all County employees with this privilege are being appropriately taxed. The County's internal auditors released an internal audit report dated December 2011 related to the lack of oversight over the take home vehicles. In January 2013, the County started to implement controls to be able to track this type of vehicle in a database. In September 2013, the County trained employees regarding the database.
2. The County is not adequately tracking educational assistance benefits; therefore, eight employees receiving the benefit exceeded the allowable Internal Revenue Service (IRS) amount of \$5,250, which these benefits were not job related. The total amount not included as taxable income was \$7,790.

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

CRITERIA

1. In accordance with IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits, qualified nonpersonal-use vehicles are a working condition benefit and are not taxed; however, all other usage is taxable.
2. Educational assistance benefits in excess of \$5,250 must be included in benefits as wages unless they are a working condition benefit according to publication 15-B.

EFFECT

The County is not in compliance with IRS regulations regarding fringe benefits.

CAUSE

1. The County did not have controls in place to ensure take-home vehicles are properly monitored.
2. The County was maintaining documentation for educational assistance benefits on a fiscal year rather than the required IRS calendar year.

RECOMMENDATION

The County should implement and adhere to procedures to help monitor and properly identify fringe benefits related to educational assistance and take-home vehicles.

MANAGEMENT RESPONSE

1. Take Home Vehicles: Management has put in a substantial amount of effort to implement controls since this process was discussed with the internal auditors in December 2012. The County's administrative instruction for take home vehicles has been revised and all required forms have been revised and each has been posted on the County's intranet site. In addition, a database, managed by Risk Management, has been configured to capture take home vehicle information as input by responsible departments. Training was provided to all County departments in September 2013 on how to properly input the required information into the database. Also, a yearly calendar of events has been developed to raise awareness of scheduled deadlines.
2. Educational Assistance: The County agrees with the finding and has implemented procedures as of October 19, 2013 to correct.

CORRECTIVE ACTION PLAN

1. Take Home Vehicles: All departments that are involved in this process will collaboratively work together to insure take home vehicles are properly tracked and County employees with this privilege are appropriately taxed.
2. Educational Assistance: The Human Resource Department will run a bi-weekly report that shows all employees who have received any educational assistance reimbursements for the calendar year. HR will monitor the total reimbursements for all employees participating in the Educational Assistance and when the employee reaches \$5,250 in reimbursements any additional reimbursements will be entered under a new pay code and be included in the employees' taxable income.

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

2013-2 PER DIEM AND TRAVEL EXPENDITURES, NONCOMPLIANCE IN ACCORDANCE WITH THE NEW MEXICO STATE AUDIT RULE

CONDITION

Per review of one of 20 travel and per diem expenditures tested, the County advanced an employee \$120; however, the employee should have received \$72 as an allowable advance amount.

CRITERIA

Per 2.42.2.10 NMAC, a public officer or employee can request to be advanced up to 80 percent of per diem rates and mileage cost or for the actual cost of lodging and meals pursuant to 2.42.2.8 NMAC and 2.42.2.9 NMAC and for other travel expenses that may be reimbursed under 2.42.2.12 NMAC.

EFFECT

The County is not in compliance with the NMAC and County policies and procedures.

CAUSE

The formula on the request form did not refresh the calculation of the meal allowance when the number of meals was revised from seven provided meals to eleven provided meals.

RECOMMENDATION

The County should ensure employees are adequately trained with regards to the NMAC.

MANAGEMENT RESPONSE

Management agrees that there was an error in the initial calculation and during the review process the final payment amount was corrected.

CORRECTIVE ACTION PLAN

Budget and Business Improvement staff is currently developing and testing a revised Travel/Registration Form (TRF) which includes a calculation refresh option that will be required prior to submittal to ensure a full refresh of all formulas on the form. In addition, the Travel/Registration Reimbursement Form (TRRF), which will replace the Travel Reimbursement Worksheet and Reimbursement Voucher, is being developed and tested. This will provide additional controls for the County Travel Coordinator to ensure accurate travel reimbursements. The TRF and TRRF forms are expected to be ready for use by December 14, 2013 and training will be provided prior to making the new forms available to Travel Liaisons.

2013-3 PERA RECONCILIATIONS, NONCOMPLIANCE IN ACCORDANCE WITH THE NEW MEXICO STATE AUDIT RULE

CONDITION

During our review of payroll wages remitted Public Employee's Retirement Act (PERA) to ensure 100% were reported, the September 21, 2012 pay period end had discrepancies between wages

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

reported to PERA and wages on the payroll pay period report (County report). The total amount of the difference was higher on the County's report by \$67,655 than reported to PERA due to the retroactive pay for employee wages not being reconciled timely. In addition, the October 5, 2012 pay period end also had discrepancies. The total amount of the difference was higher on the County's pay period report by \$146,370 than reported to PERA due to the retroactive pay for employee wages not being reconciled timely.

CRITERIA

PERA membership is mandatory under the PERA Act, unless membership is specifically excluded pursuant to Section 10-11-3(B) NMSA 1978. The County should ensure that 100% of payroll wages are reported to PERA.

EFFECT

The County underreported salaries and could potentially have a liability that is not recorded.

CAUSE

The County approved retroactive pay for salary increases of 2% which caused problems in reporting the adjustments for employees by pay period to PERA. The adjustment varied by payroll type (fire, sheriff's, rules and regs, etc.). The payroll department staff is limited, and the payroll manager has been working on resolving this issue.

RECOMMENDATION

The County should implement procedures to ensure that PERA wages are timely reconciled to ensure 100% of wages are reported.

MANAGEMENT RESPONSE

Management agrees that the details for the adjustment for retroactive pay should have been completed. The payroll manager is working on getting the individual employee detail to PERA so that records can be complete at PERA. Management will try to avoid pay increases that are retroactive to eliminate the extensive amount of work that comes with reporting this kind of adjustment to PERA.

CORRECTIVE ACTION PLAN

The payroll manager is working with the IT staff to get the employees records correct for the adjustments so that the retroactive pay will reflect properly by pay period to PERA. The goal is to have this completed by the end of November 2013.

2013-4 PROCUREMENT, NONCOMPLIANCE IN ACCORDANCE WITH THE NEW MEXICO STATE AUDIT RULE

CONDITION

For one of 25 procurements tested that exceeded \$20,000, the County awarded a vendor; however, this vendor was not the lowest bid received. The vendor awarded was \$12.72 per unit and the lowest vendor was \$12.50 per unit for a difference in total price per unit of \$0.22.

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

CRITERIA

In accordance with 1.4.1.24 NMAC and Section 13-1-108 NMSA 1978, competitive sealed bids should be awarded to the lowest responsible bidder.

EFFECT

The County did not award to the lowest vendor; therefore, they did not obtain the best price for the County.

CAUSE

When the County factored in the vendor's preference and recalculated the unit price, the County overlooked that another vendor's unit cost was less than the recalculated vendor.

RECOMMENDATION

The County should implement a secondary review process when awarding complex bids. This will help to eliminate the potential for errors.

MANAGEMENT RESPONSE

The bid tabulation sheet contained 265 separate calculations and the calculation of the Resident Business Preference for the vendor that supplied their preference documentation was done on an adding machine, not the bid tabulation spreadsheet. The calculation error was inadvertent.

CORRECTIVE ACTION PLAN

The Purchasing Department will implement a secondary review of complex bid tabulations by having another staff member check the tabulation sheet for accuracy. In addition, when calculating and applying a preference, the calculation will be done using the bid tabulation spreadsheet to prevent mathematical errors and to provide a record of the application of the preference. Furthermore, for complex bids, the bid summary sheet will make reference to the bid tabulation sheet rather than providing a tally of the aggregate base bids.

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

2013-14 REPORTING, NONCOMPLIANCE

Funding Agency: U.S. Department of Housing and Urban Development
Pass-Through Programs From: NA
Title: Low Income Housing Assistance Programs
CFDA Number 14.871

QUESTIONED COSTS

None

CONDITION

Based on our review of grant reports we noted that the HUD 6002, Section 3 Summary Report, was not submitted by the due date for the Section 8 Housing Choice Vouchers.

CRITERIA

Per the grant agreements, a HUD 6002, Section 3 Summary Report must be accurately prepared and submitted, annually, to be in compliance with reporting requirements.

CAUSE

Internal controls over timely submission of reports were not adequately monitored.

EFFECT

Bernalillo County is not in compliance with the Reporting standards.

RECOMMENDATION

We recommend the Grants Department review all grant agreements and ensure that future reports are prepared accurately and submitted within the specified time period.

MANGEMENT RESPONSE

Bernalillo County Housing currently has processes in place to ensure that all reporting requirements and dates be met. Unfortunately, this occurred during a transition of personnel in our finance area.

CORRECTIVE ACTION PLAN

Bernalillo County Housing has prepared a calendar of reports due HUD and is available on the Housing share drive so each area within Housing has access so that reports are prepared and submitted by the deadline HUD requires.

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

An exit conference was held on November 7, 2013 and attended by the following:

County Commissioner

Maggie Hart Stebbins, Chair

Audit Committee

Mandy Funchess, CPA, Chair

Armando Sanchez, CPA, Member

External Auditors – New Mexico Office of the State Auditor

Hector Balderas, State Auditor

Natalie Cordova, CPA, Financial Audit Director

Sara Specht, Audit Supervisor

External Auditors – Moss Adams

Jim Thompson, Partner, CPA, CFE

Tyler Zundel, CPA, Assurance Senior

Jenny Harrington, CPA, Assurance Senior

County Personnel

Tom Zdunek, County Manager

Teresa Byrd, Deputy County Manager for Finance

Tom Swisstack, Deputy County Manager for

Jeff P. Lovato, MBA, Director of Accounting

Shirley Ragin, Budget & Business Improvement Director

Renetta Torres, Director Human Resources

Lisa Sedillo-White, Director of Purchasing

Fidel A. Bernal, CPA, Chief Deputy Treasurer

Betty Valdez, Director of Housing

Joe Crelier, Director of Risk Management

Bonnie Ulibarri-Romero, CPA, CGMA, Financial Projects Coordinator, Accounting

Anthony Infantino, MBA, Financial Projects Coordinator, Accounting

Geri Maestas, Financial Projects Coordinator, Accounting

Chuck Griffith, Human Resources

Ryan Travelstead, Treasurer's Office

Randy Landavazo, ERP Manager, Budget & Business Improvement

Martin Gallegos, Fixed Asset Manager, Accounting

Nataliya Rubinchik, MSA, Financial Administrator, Accounting

Trudy McGregor, CPA, Financial Administrator, Accounting

Vincent Lujan, Financial Administrator, Accounting

Paul Herrera, Grant Administrator, Accounting

John Watt, Financial Administrator, Accounting

Amy Childers, Financial Administrator, Accounting

Leticia Carreon, Accounting Officer, Accounting

Cindy Torres, Audit Liaison, Accounting

Ginny Montoya, Accounting Officer, Accounting

Victoria Herring, Administrative Assistant, Accounting

Emily Madrid, Finance

Darlene Ortiz, Budget & Business Improvement