



Agenda Item Number: 2009-2-6A

BERNALILLO COUNTY BOARD OF COUNTY COMMISSIONERS

Meeting Date: February 10, 2009

Department: Audit Committee **Staff Contact:** Demesia Padilla, Audit Committee Chairperson

TITLE: Bernalillo County Comprehensive Annual Financial Report (CAFR) –
Fiscal Year ended June 30, 2008

ACTION: Motion to accept the CAFR for the Fiscal Year ended June 30, 2008.

SUMMARY:

The Comprehensive Annual Financial Report (CAFR) was prepared using the new financial reporting requirements as prescribed by the Governmental Accounting Standards Board Statement No. 34. The firm of Moss Adams LLC performed the financial audit for FY 2008. The Audit Committee, Management and the external auditors reviewed a draft of the CAFR at an exit conference on December 10, 2008. The Audit Committee recommends that the Board accept the 2008 CAFR subject to final review and acceptance by the State Auditor in accordance with Section 2.2.2.9 C. NMAC, *Requirements for Contracting and Conducting Audits of Agencies*. Following Board approval, the report will become public record.

Highlights of this year's financial report include:

- Bernalillo County received an unqualified or “clean” audit opinion for the sixteenth consecutive year.
- The County was awarded the Certificate of Achievement for Excellence in Financial Reporting in FY08 for the FY07 CAFR (fourth consecutive year). The award is given by the Government Finance Officers Association to government units whose comprehensive annual financial reports (CAFR) achieve the highest standards in governmental accounting and financial reporting.
- The County was able to maintain adequate reserves in the amount of \$64,204,173 as required by the State of New Mexico Department of Finance and Administration, Local Government Division – 3/12 of the General Fund Budget for FY09.
- During the year, the County sold \$21,500,000 of General Obligation Bonds (Series 2007, Series 2007A & Series 2008). This included \$9,400,000 for roads, \$3,500,000 for storm drains, \$2,200,000 for parks and recreation, \$4,300,000 for Sheriff's facilities improvements, \$1,100,000 for ADA facilities improvements and \$1,000,000 for library books. Also, the County issued \$11,000,000 of Gross Receipts Tax Revenue Refunding Bonds, Series 2008, with an average interest rate of 4%, to advance refund \$10,500,000 of the Series 2004 Gross Receipts Tax Revenue Bonds outstanding. In addition, the County partially defeased the Series 2002A General Obligation Bonds in the amount of \$5,645,000.

- The County has \$428,809,497 in available bonding capacity or 81.27% of allowable bonding capacity per the New Mexico State Constitution (see page 158).
- The County property valuations increased 11.2% from \$11.86 billion in FY07 to \$13.19 billion in FY08 (see page 151).
- The County maintained its AAA rating with Standard & Poor's Rating Service, Aa1 rating with Moody's Investors Service, Inc. and AA+ rating with Fitch Ratings for its General Obligation Bonds. In addition, the County maintained its AAA rating with Standard & Poor's Rating Service and AA rating with Fitch Ratings for its Gross Receipt Tax Revenue Bonds.
- The County managed and expended \$28,700,728 in Federal Funds, an increase of 4.4% from the prior year amount of \$27,484,919.

ATTACHMENTS:

1. Bernalillo County Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008.
2. Office of the State Auditor release letter.

STAFF ANALYSIS SUMMARY

COUNTY MANAGER

Bernalillo County continues its excellent audit record and much of the credit goes to the outstanding staff in the Audit Department. This year's audit was prepared in the mist of the conversion to the new financial computer system which greatly added to the demands on staff. The County continues to stress the importance of successful auditing and this year is no exception. I recommend Board approval. TL 2/6/2009

DEPUTY COUNTY MANAGER

Jeff P. Lovato, MBA, Accounting Director and the staff in the Accounting Department prepared all of the financial statements, notes and statistics. Moss Adams LLC audited their work. Internal preparation of financial statements is very beneficial to Bernalillo County because detailed working knowledge about the information in the report is available throughout the year when questions arise.

The financial statements, notes and statistical sections have been prepared in the Comprehensive Financial Report (CAFR) format prescribed by the Government Financial Officers Association (GFOA). Dan Mayfield 01/27/09

LEGAL

The proposed action is within the Board's authority. JSL 1/27/09

FINANCE

Accounting

The County's financial statements for the year ended June 30, 2008 are in conformance with governmental accounting and financial reporting standards as indicated by the unqualified opinion of this audit. The financial statements are incorporated in the CAFR and will be submitted to GFOA to participate in the Certificate of Achievement Award program if approved by the Commission. Jeff P. Lovato, MBA, Accounting Director 01/14/09.

Budget

Bernalillo County received an unqualified or "clean" audit opinion for the sixteenth consecutive year and maintained the necessary DFA reserve requirements. Teresa Byrd, Budget Director 1/15/09