

NEW ISSUE
Book Entry Only

RATINGS:
Standard & Poor's: AAA
Moody's Investors Service: Aa1
Fitch Ratings: AA+

In the opinion of Hughes Law, LLC, Bond Counsel, under existing regulations, rulings and judicial decisions and assuming continuous compliance with certain covenants set forth in the documents pertaining to the Bonds and certain requirements of the Internal Revenue Code of 1986, as amended, as described herein, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes. In the opinion of Bond Counsel, interest on the Bonds will not be treated as an item of tax preference in calculating the federal alternative minimum taxable income of individuals and corporations. Additionally, in the opinion of Bond Counsel, interest on the Bonds is exempt from taxation by the State of New Mexico. (See "TAX MATTERS" herein.)

\$10,750,000
BERNALILLO COUNTY, NEW MEXICO
GENERAL OBLIGATION BONDS
SERIES 2009A

Dated: Date of Issuance

Due: December 1, as detailed below

The Bonds will be issued as fully registered bonds, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, the securities depository for the Bonds, to which principal and interest payments on the Bonds will be made. Individual purchases will be made in book entry form only in denominations of \$5,000 or any integral multiple thereof. Purchasers of the Bonds will not receive physical delivery of bond certificates. (See "THE BONDS; BOOK ENTRY ONLY SYSTEM"). Interest is payable semi-annually on June 1 and December 1, commencing June 1, 2010. Principal is payable annually as detailed below. The Bonds are subject to redemption prior to maturity. See THE BONDS – PRIOR REDEMPTION.

Maturities, Rates, Yields and CUSIP numbers

Maturity	Interest			Maturity	Interest				
(December 1)	Principal	Rate	Price	CUSIP	(December 1)	Principal	Rate	Price	CUSIP
2010	\$ 500,000	2.00%	101.533	085275ZL2	2015	\$ 650,000	2.00%	100.560	085275ZR9
2011	1,000,000	2.00%	102.527	085275ZM0	2016	700,000	2.50%	101.947	085275ZS7
2012	1,000,000	2.00%	103.206	085275ZN8	2017	750,000	3.00%	103.201	085275ZT5
2013	650,000	2.00%	103.281	085275ZP3	2018	800,000	3.00%	101.917	085275ZU2
2014	650,000	2.00%	102.381	085275ZQ1	2019	1,250,000	3.00%	100.816	085275ZV0
					2020	2,800,000	3.00%	100.000	085275ZW8

The Bonds are general obligations of the County. The Bonds are payable from general (*ad valorem*) taxes which may be levied against all taxable property within the County without limitation as to rate or amount. The Bonds were authorized for the purpose of various public purposes as more fully described herein.

The Bonds are being offered when, as and if issued by the County, subject to the prior approval of Hughes Law, LLC, Albuquerque, New Mexico, as Bond Counsel. Certain other matters will be passed upon by Hughes Law, LLC as Disclosure Counsel. It is anticipated that the Bonds will be available for delivery through the Depository Trust Company, New York, New York on or about December 15, 2009.

BERNALILLO COUNTY, NEW MEXICO

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COUNTY COMMISSION

Alan B. Armijo, Chair
Art De La Cruz, Vice Chair, Commissioner
Maggie Hart Stebbins, Commissioner
Michael C. Wiener, Commissioner
Michael Brasher, Commissioner

COUNTY OFFICIALS

Thaddeus Lucero, Manager
Patrick J. Padilla, Treasurer
Karen L. Montoya, Assessor
Maggie Toulouse Oliver, Clerk
Darren P. White, Sheriff
Merri Rudd, Probate Judge

COUNTY FINANCE DEPARTMENT

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement is furnished to prospective purchasers of the Bernalillo County, New Mexico General Obligation Bonds, Series 2009A (the "Bonds") in the aggregate principal amount of \$10,750,000 by Bernalillo County, New Mexico (the "County"). The offering of the Bonds is made only by way of this Official Statement which supersedes any other information or materials used in connection with the offer or sale of the Bonds. Additional information concerning the County, the Bonds, and other aspects of this offering may be obtained from the Deputy County Manager for Finance, One Civic Plaza, N.W., Suite 10111, Albuquerque, New Mexico 87102, Telephone: (505) 468-7020.

This Official Statement, which includes the title page, does not constitute an offer to sell the Bonds in any state to any person to whom it is unlawful to make such offer in such state. No dealer, salesman, or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such information or representation must not be relied upon.

The information, estimates and expressions of opinion contained in the Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the County or in the information, estimates or opinions set forth herein, since the date of this Official Statement.

All terms used in this Official Statement which are not defined herein shall have the meanings given such terms in Resolution No. FR-81-2009 authorizing issuance of the Bonds adopted by the Board of County Commissioners (the "Board") on December 8, 2009 (the "Bond Resolution").

Morgan Stanley, parent company of Morgan Stanley & Co. Incorporated, an underwriter of the Bonds, has entered into a retail brokerage joint venture with Citigroup Inc. As part of the joint venture, Morgan Stanley & Co. Incorporated will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Morgan Stanley & Co. Incorporated will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

The County has entered into an Undertaking (the "Undertaking") for the benefit of the holders of the Bonds to send certain financial information and operating data to certain information repositories annually and to provide notice to the Municipal Securities Rulemaking Board of Certain Events, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, § 240.15c2-12) (the "Rule").

AND

The County has not failed to comply with any prior such undertaking under the Rule. A failure by the Issuer to comply with the Undertaking will not constitute an event of default under the Bond Resolution (although Bondholders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bond in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

SUMMARY INFORMATION

The following information is not a full description of the Bonds and is entirely subject to the more complete information contained elsewhere in this Official Statement, which includes the appendices.

PURPOSE: The Bonds will be used for various public purposes throughout Bernalillo County, New Mexico as follows:

RECREATION FACILITIES	\$2,500,000
ROADS	\$4,750,000
STORM SEWER/WASTEWATER	\$3,500,000

SECURITY: These Bonds are General Obligation Bonds of the County and are payable from general (*ad valorem*) taxes which may be levied against all taxable property within the County without limitation as to rate or amount.

COMPLIANCE: The County undertakes to comply with Rule 15c2-12. (*See "APPENDIX B."*)

DELIVERY: Delivery of the Bonds to the purchaser through the facilities of the Depository Trust Company is expected on or about December 15, 2009.

REDEMPTION: The Bonds are subject to redemption prior to maturity as described herein. **SEE THE BONDS – PRIOR REDEMPTION.**

**PAYING AGENT/
REGISTRAR:** Initially, the Deputy County Manager for Budget and Finance or any successor named by the Board of County Commissioners.

PURPOSE AND PLAN OF FINANCING

The following table shows the sources and uses of the proceeds of the Bonds and other available funds.

SOURCES AND USES OF FUNDS

Par amount of the Bonds:	\$10,750,000.00
Original issue premium:	<u>75,250.00</u>
TOTAL SOURCES OF FUNDS:	<u>\$10,825,250.00</u>
Project Fund:	\$10,742,567.47
Costs of Issuance ** :	<u>82,682.53</u>
TOTAL USES OF FUNDS:	<u>\$10,825,250.00</u>

** Includes legal fees, printing, rating fees and other miscellaneous fees.

THE BONDS

AUTHORIZATION

The Bonds are issued pursuant to the Public Securities Act, Section 6-14-1 through 6-14-12 NMSA 1978 and Sections 6-15-1 through 6-15-28, NMSA 1978, which authorize counties to issue general obligation bonds payable from ad valorem taxes.

Proceeds from the Bonds will be used to provide funds for projects approved by Bernalillo County voters as follows:

**APPROVED AND UNSOLD
FROM 2008 ELECTION**

Recreation	\$2,500,000
Roads	4,750,000
Storm Sewer/Wastewater	3,500,000

DESCRIPTION OF THE BONDS

The Bonds are dated as of the date of issuance and will bear interest from that date, payable on June 1 and December 1 in each year commencing June 1, 2010. The Bonds will bear interest at the rates per annum and mature in the amounts and at the times set forth on the cover page of this Official Statement. The principal and interest of the Bonds is payable through the Depository Trust Company, New York, New York.

SECURITY FOR THE BONDS

The Bonds are General Obligation Bonds of the County and are payable from ad valorem taxes which shall be levied against all taxable property within the County without limitation as to rate or amount. The County has covenanted in the Bond Resolution to levy in addition to all other taxes, direct annual ad valorem taxes sufficient to pay the principal of and interest on the Bonds. The County may pay the principal of and interest on the Bonds from any funds belonging to the County.

The Bonds are general obligations of the County. The Bonds are payable from general (ad valorem) taxes which may be levied against all taxable property within the County without limitation as to rate or amount.

REGISTRATION

The Bernalillo Deputy County Manager for Budget and Finance will initially serve as the registrar and paying agent for the Bonds.

BOOK ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect

Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bond is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to The County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from The County or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC [nor its nominee], Agent, or The County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of The County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such

payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to The County or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF BONDS

There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal of or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the County in issuing the Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

PRIOR REDEMPTION

The Bonds maturing on or after December 1, 2016 are subject to redemption at the option of the County on or after December 1, 2015 at par plus accrued interest.

DEBT AND OTHER OBLIGATIONS
(as of December 1, 2009)

GENERAL OBLIGATION BONDS OUTSTANDING

G.O. Bond	Original	Outstanding
<u>Series</u>	<u>Issue</u>	<u>Principal</u>
1997	\$11,170,000	\$7,125,000
1999	18,676,000	13,280,000
2000	10,160,000	925,000
2001	4,600,000	4,385,000
2002	16,400,000	13,735,000
2003	10,210,000	8,645,000
2004	3,029,000	3,029,000
2005	13,940,000	10,680,000
2005A	5,261,000	5,261,000
2006	10,000,000	9,665,000
2007	10,400,000	10,400,000
2007A	8,700,000	8,400,000
2008	2,700,000	2,700,000
2009	10,750,000	<u>10,000,000</u>
TOTAL		<u>\$108,230,000</u>

Source: Bernalillo County Finance Department

DEBT SERVICE SCHEDULE

Below is a summary of the principal and estimated interest payments on the Bonds:

Date	Principal	Coupon	Interest	Total	FY Total
6/1/ 2010			\$ 126,575.00	\$ 26,575.00	\$ 126,575.00
12/1/ 2010	\$ 500,000	2.000%	137,250.00	637,250.00	
6/1/ 2011			132,250.00	132,250.00	769,500.00
12/1/ 2011	1,000,000	2.000%	132,250.00	1,132,250.00	
6/1/ 2012			122,250.00	122,250.00	1,254,500.00
12/1/ 2012	1,000,000	2.000%	122,250.00	1,122,250.00	
6/1/ 2013			112,250.00	112,250.00	1,234,500.00
12/1/ 2013	650,000	2.000%	112,250.00	762,250.00	
6/1/ 2014			105,750.00	105,750.00	868,000.00
12/1/ 2014	650,000	2.000%	105,750.00	755,750.00	
6/1/ 2015			99,250.00	99,250.00	855,000.00
12/1/ 2015	650,000	2.000%	99,250.00	749,250.00	
6/1/ 2016			92,750.00	92,750.00	842,000.00
12/1/ 2016	700,000	2.500%	92,750.00	792,750.00	
6/1/ 2017			84,000.00	84,000.00	876,750.00
12/1/ 2017	750,000	3.000%	84,000.00	834,000.00	
6/1/ 2018			72,750.00	72,750.00	906,750.00
12/1/ 2018	800,000	3.000%	72,750.00	872,750.00	
6/1/ 2019			60,750.00	60,750.00	933,500.00
12/1/ 2019	1,250,000	3.000%	60,750.00	1,310,750.00	
6/1/ 2020			42,000.00	42,000.00	1,352,750.00
12/1/ 2020	2,800,000	3.000%	42,000.00	2,842,000.00	2,842,000.00
	<u>\$ 10,750,000</u>		<u>\$2,111,825.00</u>	<u>\$12,861,825.00</u>	<u>\$ 12,861,825.00</u>

BERNALILLO COUNTY OUTSTANDING GENERAL OBLIGATION DEBT SERVICE SERIES

Fiscal Year	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	TOTALS
1997	1999	2000	2001	2002	2003	2004	2005 3	2005A	2006	2007	2007A	2008	2009	2009A		
2010	901,519	1,415,338	499,225	420,109	1,316,388	795,863	1,934,419	229,186	743,425	520,000	348,873	1,055,250	1,382,063	126,575	11,814,306	
2011	897,188	1,419,950	-	418,709	1,318,668	792,863	1,989,256	489,186	738,825	520,000	348,873	722,750	1,315,000	769,500	11,866,842	
2012	891,669	1,422,538	-	422,560	1,323,668	794,263	788,506	488,786	743,825	520,000	348,873		1,040,000	1,254,500	10,165,262	
2013	884,963	1,427,988	-	421,560	1,325,268	793,893	792,506	492,986	743,025	520,000	348,873		1,171,250	1,234,500	10,282,886	
2014	877,069	1,431,188	-	424,763	1,333,078	795,208	785,569	488,736	741,626	1,017,250	731,073		1,173,750	868,000	10,793,383	
2015	867,988	1,437,025	-	427,035	1,337,815	794,995	781,569	486,199	739,625	1,011,250	730,173		1,221,000	855,000	10,815,749	
2016	857,719	1,440,388	-	428,348	1,339,815	798,740	786,769	483,236	742,025	1,009,125	738,473		1,206,000	842,000	10,798,712	
2017	943,888	1,441,275	-	428,670	1,338,730	795,940	780,769	479,849	743,625	1,005,750	740,873		1,190,000	876,750	10,892,194	
2018	926,494	1,449,463	-	432,943	1,339,955	796,603	773,969	482,036	739,425	996,250	747,373		1,198,000	906,750	10,915,335	
2019	-	1,454,725	-	431,228	1,338,193	795,465	783,094	486,544	739,625	995,500	747,973		1,254,000	933,500	10,085,921	
2020	-	1,457,063	-	428,625	1,333,353	792,945	780,000	491,244	744,025	988,375	752,673			1,352,750	10,129,127	
2021	-	-	-	430,000	1,330,345	788,685	-	494,619	742,425	980,000	760,998			2,842,000	9,341,147	
2022	-	-	-	435,200	1,324,455	787,635	-	482,119	740,025	975,250	762,791				6,763,513	
2023	-	-	-	-	-	784,875	-	479,400	741,825	969,000	768,155				3,743,255	
2024	-	-	-	-	-	-	-	480,500	741,869	966,125	771,956				2,960,450	
2025	-	-	-	-	-	-	-	480,700	740,881	956,625	774,331				2,952,538	
2026	-	-	-	-	-	-	-	-	738,862	950,500	781,150				2,470,512	
2027	-	-	-	-	-	-	-	-	734,963	942,625	784,298				2,461,885	
2028	-	-	-	-	-	-	-	-		937,875	786,748				1,724,623	

FINANCIAL DATA

COUNTY ASSESSED VALUATION

Taxable Value of Property Assessed (1/3 market value)	<u>\$14,321,984,342</u>
Estimated Actual Value	<u>\$42,965,953,026</u>

BONDED INDEBTEDNESS

Outstanding Bonds	\$108,230,000
Series 2009A Bonds	10,750,000
Authorized but unissued bonds (1)	<u> -</u>
Total Direct Debt after Issuance of the Series 2009A Bonds	<u>\$118,980,000</u>

Source: Bernalillo County Finance Department

(1) There are no authorized but unissued bonds remaining following the issuance of the Series 2009A Bonds.

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DIRECT AND OVERLAPPING DEBT

	<u>G.O. Bonds Outstanding</u>	<u>Percent Applicable to Bernalillo County</u>	<u>County Share of G.O. Debt</u>
Bernalillo County	\$ 118,980,000	100.00%	\$ 118,980,000
State of New Mexico (1)	362,735,000	27.89%	101,166,791
City of Albuquerque (1)	202,435,323	82.80%	167,616,447
Albuquerque Public Schools (2)	462,655,000	99.33%	459,555,212
Albuquerque Metropolitan Arroyo Flood Control Authority (1)	30,000,000	96.04%	28,812,000
Central NM Community College (1)	39,700,000	99.50%	39,501,500
Moriarty School District (2)	26,120,000	0.58%	151,496
Village of Los Ranchos de Albuquerque	3,600,000	1.49%	53,640
			<u>\$915,837,086</u>

Ratios:

Direct and Overlapping Debt as a percentage of Taxable Assessed Valuation	6.39%
Direct and Overlapping Debt as a percentage of Actual Market Value	2.13%
Assessed Valuation Per Capita (2007 Estimated Population 644,023)	\$ 23,284.03
Direct and Overlapping General Obligation Debt Per Capita	\$ 1,488.93

(1) Outstanding G.O. debt at October 31, 2008

(2) Outstanding G.O. debt at June 30, 2009

Sources: Bernalillo County Finance Department, City of Albuquerque Department of Finance and Administrative Services, New Mexico Public Education Department, New Mexico Department of Finance and Administration

BONDING CAPACITY

Legal Bonding Capacity	\$552,119,240
Less total bonds to be outstanding	<u>(118,980,000)</u>
Capacity in excess of present requirements	\$433,139,240

Source: Bernalillo County Finance Department

ASSESSED VALUATION

PROPERTY SUBJECT TO TAXATION

Real property is subject to taxation with certain exemptions. Within the real property classification, exemptions include: property of the United States of America; property of the State, all counties, towns, cities and school districts or other municipal corporations; public libraries; community ditches and all laterals thereof; all church property not used for commercial purposes; all property used for educational and charitable purposes; all cemeteries not used or held for private or corporate profit; motor vehicles (other than mobile homes) and all bonds of the State, counties, municipalities and districts. Also, certain amounts of the taxable value of property is exempt from taxation if such property is owned by the head of a family who is a State resident (\$3,500 of residential property) or is owned by a veteran or a veteran's unmarried surviving spouse if the veteran or spouse is a State resident (\$2,000 of residential property). All tangible personal property has been exempted from property taxation by statute except for tangible personal property used, produced, manufactured, held for sale, leased or maintained by a person for purposes of his profession, business or occupation (unless otherwise specifically exempted from property taxation by the Federal or State Constitution or law); tangible property for which the owner has claimed a deduction from depreciation for federal income tax purposes; mobile homes; livestock; and certain inventories of personal property.

ASSESSMENT OF PROPERTY

The County assessor sets the value of most residential and nonresidential real and personal property within the County; however, those properties used in the businesses of railroads, communications, pipelines, public utilities and airlines are valued by the Central Assessment Bureau, Property Tax Division of the Taxation and Revenue Department. The Central Assessment Bureau also is responsible for the valuation of electric generating facilities, mineral properties and certain industrial machinery. The value of oil and natural gas property and equipment is determined by the Oil and Gas Accounting Division of the Taxation and Revenue Department based on the prior calendar

year's output. The net taxable value of all property is one-third of the actual value (the "Assessment Ratio").

The value of residential property for property taxation purposes is its market value as determined by sales of comparable property or, if that method cannot be used due to the lack of comparable sales data for the property being valued, then its value is determined using an income method or costs method of valuation. Regardless of the method used for valuation, the valuation authority must apply generally accepted appraisal techniques.

Each county assessor must mail a notice by April 1 of each year to each property owner informing him of the net taxable value of his property that has been valued for property taxation purposes, the tax ratio, the classification of the property valued, and other information. The Central Assessment Bureau must also send notices by May 1 of each year to property owners with property subject to valuation by the Property Tax Division. A property owner may protest the value or classification of his or her property by filing a petition of protest with the Director of the Property Tax Division or with the appropriate county assessor. The protest hearing may be held before the Director of the Property Tax Division or before the appropriate county valuation protest board, dependent upon whether the Property Tax or the local county assessor was responsible for review of the valuation. A property owner may appeal an order made by the Director of the Property Tax Division or a county valuation protest board by filing with the court of appeals a notice of appeal within 45 days of the date the order was made.

REASSESSMENT

New Mexico has a statewide property reassessment program. The program's objective is to keep property values close to their market values so that there will be a high correlation between the value of a property and its share of the tax burden. The first reassessment under this present program was in 1986, and such reassessments will continue to occur biannually. In 2002, property values were adjusted to their 2000 market levels.

LIMITATION ON INCREASES IN VALUATION OF RESIDENTIAL REAL PROPERTY

Effective for the tax year 2002 and thereafter, residential real property values may not exceed 103% of the prior year's value or 106.1% of the preceding two years value. The limitation did not apply to first-year property, property having physical improvements made during the prior year, or property where there is a change of ownership or use or zoning; however, the State District Court for the New Mexico Second Judicial District recently held that the lack of limitation on re-sales was not constitutional. The ruling is subject to appeal.

The limitation does not apply until a county has achieved a sales ratio value of 85%, as measured by the median ratio of value for property taxation purposes of sales price.

ASSESSED VALUATION COMPARISON

<u>Tax Year</u>	<u>Bernalillo County</u>	<u>City of Albuquerque</u>	<u>Albuquerque Public Schools</u>
2009	\$14,321,984,242	\$ 11,858,931,422	\$14,225,697,652
2008	13,894,920,052	11,514,516,230	13,802,981,051
2007	12,948,306,965	10,368,985,950	12,872,613,178
2006	11,715,540,463	9,714,625,364	11,650,648,268
2005	11,002,745,292	9,071,038,260	10,938,714,749
2004	10,091,960,621	8,276,006,548	10,037,626,828
2003	9,660,815,811	7,883,833,602	9,609,046,239
2002	9,351,411,056	7,619,420,780	9,415,384,004
2001	9,134,321,827	7,289,625,807	9,111,055,779
2000	8,556,955,697	6,808,876,223	8,414,389,808
1999	8,543,509,487	6,601,390,162	8,152,257,439
1998	6,922,594,872	5,708,309,544	6,915,162,313
1997	6,704,501,819	5,184,693,295	6,556,310,480
1996	6,360,178,414	5,184,695,224	6,434,311,611
1995	6,216,096,985	5,077,421,148	6,287,304,154
1994	5,242,580,014	4,312,040,404	5,294,046,953
1993	5,170,771,547	4,256,318,634	5,163,986,238
1992	5,093,834,032	4,196,606,572	5,079,289,065
1991	5,001,385,449	4,145,192,424	4,988,114,689
1990	4,857,775,554	4,011,654,196	4,845,502,078

Source: Bernalillo County Finance Department

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COUNTY OF BERNALILLO, NEW MEXICO PRINCIPAL TAXPAYERS AS OF 2008

<u>Taxpayer</u>	<u>Industry</u>	<u>Taxable Assessed Value</u>	<u>% of Total Assessed Value</u>
Public Service Company of New Mexico Electric	Utility	\$135,500,358	1.027%
Qwest Corp fka U.S. West Communications	Telecommunications	\$113,181,139	0.858%
Public Service Company of New Mexico Gas Svc	Utility	33,571,116	0.254%
GCC Rio Grande	Real Estate	20,117,495	0.153%
Southwest Airlines	Airline	20,292,079	0.153%
Comcast Cablevision of NM Inc.	Cable TV Franchise	18,340,589	0.139%
Simon Property Group Ltd. (Cottonwood Mall)	Real Estate	16,041,762	0.122%
Heitman Properties of NM	Real Estate	15,686,365	0.119%
Verizon Wireless	Telecommunications	14,280,430	0.108%
Hub Albuquerque LLC	Real Estate	14,261,640	0.108%

Source: Bernalillo County Finance Department

TAX RATES

YIELD CONTROL

Section 7-37-7.1, NMSA 1978, limits the allowable increase in property taxes from the preceding year. Specifically, no rate shall be set or assessment imposed which will produce current tax revenues in excess of the prior year's tax revenues plus a percent that is determined by a growth control factor. The growth control factor is the sum of ("G") the growth in the assessed valuation due to net new additions to the property tax rolls, expressed as a percent of the prior year's assessed, and ("I") the percentage change, not in excess of five percent, in the annual business indicator index between the prior calendar year and the year next preceding the prior calendar year. The resulting yield control equation is:

$$\text{Current tax revenues} = \text{prior tax revenues} \times (G+I)$$

Where: G is never less than 100%

I is never less than 0% or more than 5%

The annual business indicator index is defined as "annual implicit price deflator index for state and local government purchases of goods and services, as published in the United States Department of Commerce monthly publication entitled "Summary of Current Business" or any successor publication for the calendar year." The yield control formula applies to both residential and

nonresidential property, but the calculations for each property class are made separately. Additionally, the yield control formula applies to any authorized operating levy but not to any debt service levy.

20-MILL LIMITATION ANALYSIS

Article VIII, Section 2 of the New Mexico Constitution limits the total ad valorem taxes for operational purposes levied by all overlapping governmental units within the County to \$20.00 per \$1,000 of assessed value. This limitation does not apply to special levies, such as levies for bond issues, authorized at an election by a majority of the qualified voters within the County. The overlapping operational levies of the County were within the 20-mill limit.

RESIDENTIAL AND NON-RESIDENTIAL PROPERTY

Property in New Mexico is sub-classified as either residential or nonresidential based on its use. The calculation of revenue limitations for Yield Control, as discussed above, is performed separately for each property class. The result is that levies for operational purposes may be different for each property class. The levies below are shown for each property class. Rates for 2008 are not yet available.

TAX RATES IN BERNALILLO COUNTY

Residential Tax Rates - Per \$1,000 Assessed Valuation
Within 20 Mill Limit for General Purposes

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
State of New Mexico	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bernalillo County	6.340	6.184	6.183	6.113	6.131	7.031
City of Albuquerque	6.072	6.976	7.976	7.976	7.976	7.976
AMAFCFA	.165	.165	.167	.178	.180	.183
Albuquerque MSD #12	.238	.238	.238	.241	.242	.240
Central NM CC	.550	.550	.555	.550	.550	1.649
Total	13.365	12.998	12.000	12.021	12.069	12.122

Over 20 Mill Limit-Interest, Principal, Judgments, etc.

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
State of New Mexico	\$1.150	\$1.250	\$1.221	\$1.291	\$1.234	\$1.028
Bernalillo County	.994	.994	1.004	1.098	1.147	.830
City of Albuquerque	4.976	3.971	2.970	3.012	3.028	3.019
Albuquerque MSD #12	10.190	10.115	10.121	8.023	8.036	8.040

AMAFCA	.675	.675	.675	.675	.675	.675
UNM Hospitals	6.400	6.401	6.400	6.482	6.500	6.500
Central NM CC	2.440	2.440	2.442	2.477	2.488	3.019
Total	26.825	26.847	\$27.952	26.095	28.068	28.865

<u>Total Levy</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
State of New Mexico	\$1.150	\$1.250	\$1.221	\$1.291	\$1.234	\$1.028
Bernalillo County	7.334	7.179	7.187	7.211	7.278	8.200
City of Albuquerque	11.048	10.947	10.946	10.988	11.004	10.995
Albuquerque MSD #12	10.434	10.353	10.359	8.264	8.278	8.280
AMAFCA	.840	.840	.842	.853	.855	.858
UNM Hospitals	6.400	6.401	6.400	6.482	6.500	6.500
Central NM CC	3.046	2.990	2.997	3.027	3.038	3.019
Total Residential Levy	<u>\$39.960</u>	<u>\$39.960</u>	<u>\$39.9952</u>	<u>\$38.116</u>	<u>\$38.189</u>	<u>\$38.022</u>

Other County

Rates:

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>City of Albuquerque</u>						
Total Non-Residential	\$45.424	\$45.613	\$45.692	\$43.620	\$41.420	\$44.377
<u>Village of Tijeras</u>						
Total Residential	\$29.211	\$29.023	\$29.017	\$27.142	\$27.180	\$27.862
Total Non-Residential	\$36.129	\$36.318	\$36.348	\$34.175	\$36.973	\$28.480
<u>Village of Los Ranchos</u>						
Total Residential	\$29.278	\$29.173	\$29.159	\$26.275	\$26.330	
Total Non-Residential	\$34.818	\$35.093	\$35.172	\$32.100	\$30.170	

Source: Bernalillo County Finance Department

TAX COLLECTIONS

METHODS OF TAX COLLECTION

Current taxes for all units of government are collected by the County Treasurer and distributed monthly to the various political subdivisions to which they are due.

Property taxes are payable to the County Treasurer in two (2) equal installments due on November 10 of the tax year in which the tax bill was prepared and mailed and on April 10 of the following year. Pursuant to Section 7-38-46, NMSA 1978, property taxes are delinquent thirty days after the date on which they are due.

INTEREST ON DELINQUENT TAXES

Pursuant to Section 7-38-49, NMSA 1978, if property taxes are not paid for any reason within thirty (30) days after the due date, interest on the unpaid taxes shall accrue from the thirtieth (30th) day after they are due until the date they are paid. Interest accrues at the rate of one percent (1%) per month or any fraction of a month.

PENALTY FOR DELINQUENT TAXES

Pursuant to Section 7-38-50, NMSA 1978, if property taxes become delinquent, a penalty of one percent (1%) of the delinquent tax for each month, or any portion of a month, remaining unpaid shall be imposed, but the total penalty shall not exceed five percent (5%) of the delinquent taxes. The minimum penalty imposed is \$5.00. A County can suspend application of the minimum penalty requirement for any tax year.

If property taxes become delinquent because of an intent to defraud by the property owner, fifty percent (50%) of the property taxes due or fifty dollars (\$50.00), whichever is greater, shall be added as a penalty.

REMEDIES AVAILABLE FOR NON-PAYMENT OF TAXES

Pursuant to Section 7-38-47, NMSA 1978, property taxes are the personal obligation of the person owning the property on the date on which the property was subject to valuation for property taxation

purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes.

Taxes on real property are a lien against the real property. Pursuant to Section 7-38-65, NMSA 1978, delinquent taxes on real property may be collected by selling the real property on which the taxes are delinquent.

Pursuant to Section 7-38-53, NMSA 1978, delinquent property taxes on personal property may be collected by asserting a claim against the owner(s) of the personal property for which the taxes are delinquent.

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TAX COLLECTION HISTORY - BERNALILLO COUNTY

<u>Tax Year</u>	<u>Net Taxes Charged to Treasurer</u>	<u>Taxes Collected To Date</u>	<u>Percentage Collected</u>
As of Sept. 30, 2009			
2008	\$565,014,684	\$546,264,756	96.68%
2007	533,186,254	525,796,569	98.61%
2006	458,841,160	457,025,745	99.60%
2005	427,708,913	426,000,173	99.60%
2004	399,816,194	398,708,363	99.72%
2003	386,219,367	385,335,745	99.78%
As of June 30, 2008			
2007	\$533,972,595	\$513,363,469	96.14%
2006	459,679,476	453,977,597	98.76%
2005	427,710,630	425,246,839	99.42%
2004	399,816,272	398,514,034	99.67%
2003	386,224,441	385,231,540	99.74%
2002	342,679,476	341,580,127	99.68%
As of June 30, 2007			
2006	\$459,924,205	\$443,198,370	96.36%
2005	425,244,710	418,375,611	98.38%
2004	399,819,732	397,650,077	99.46%
2003	386,234,568	384,955,527	99.67%
2002	342,736,377	341,426,179	99.62%
2001	356,526,561	354,791,275	99.51%
As of June 30, 2006			
2005	\$427,762,070	\$411,172,774	96.12%
2004	399,943,440	394,567,822	98.68%
2003	386,261,168	383,999,156	99.41%
2002	342,757,047	341,125,698	99.52%
2001	356,534,714	354,681,018	99.48%
2000	311,972,254	310,805,551	99.63%
As of June 30, 2005			
2004	\$400,292,096	\$383,127,289	99.78%
2003	386,342,930	380,457,426	99.57%

<u>Tax Year</u>	<u>Net Taxes Charged to Treasurer</u>	<u>Taxes Collected To Date</u>	<u>Percentage Collected</u>
2002	342,830,820	340,045,362	99.37%
2001	356,580,516	354,341,141	99.19%
2000	311,999,812	310,662,517	98.48%
1999	293,865,653	293,204,471	95.71%
As of June 30, 2004			
2003	\$386,695,130	\$369,590,539	95.58%
2002	342,657,220	337,093,690	98.38%
2001	356,655,653	353,450,599	99.10%
2000	312,507,353	310,314,025	99.30%
1999	294,321,962	293,045,664	99.57%
1998	259,239,168	258,459,615	99.70%
As of June 30, 2003			
2002	\$342,574,636	\$325,780,959	95.12%
2001	356,754,439	349,063,518	97.84%
2000	312,553,943	309,181,738	98.92%
1999	294,350,780	292,718,711	99.45%
1998	259,304,680	258,309,133	99.62%
1997	250,229,931	249,770,008	99.82%
1996	235,171,198	234,956,596	99.91%
As of June 30, 2002			
2001	\$360,196,852	\$341,320,253	95.58%
2000	314,394,841	306,645,723	98.01%
1999	302,620,378	292,115,772	99.24%
1998	259,221,833	258,566,450	99.70%
1997	249,687,335	249,736,076	99.80%
1996	236,219,558	234,946,726	99.90%
As of June 30, 2001			
2000	\$313,805,354	\$293,841,628	93.64%
1999	293,349,030	287,330,428	97.95%
1998	259,629,855	257,841,666	99.31%
1997	250,304,933	249,449,947	99.66%
1996	235,246,027	234,859,087	99.04%
1995	222,099,664	221,898,970	99.91%

As of June 30, 2000			
1999	\$302,620,378	\$270,446,038	89.37%
1998	259,398,991	254,542,809	98.13%
1997	249,939,838	248,336,201	99.36%
1996	235,229,602	234,782,416	99.78%
1995	222,112,727	221,887,672	99.90%
As of June 30, 1999			
1998	\$259,904,334	\$244,793,157	94.19%
1997	249,966,823	245,850,320	98.35%
1996	235,313,495	234,363,377	99.60%
1995	222,116,842	221,774,526	99.85%
1994	199,423,547	199,183,107	99.88%

Source: Bernalillo County Treasurer

THE COUNTY

GENERAL

The economic and population hub of New Mexico, Bernalillo County, is located in the north central region of the state at the conjunction of Interstate Highways 25 and 40. Its boundaries encompass the entire City of Albuquerque. With 644,023 residents, (2007 Estimated) Bernalillo County ranks 90th in population of the nation's 3,066 counties. The County comprises nearly 31% of New Mexico's population total and 80% of the three county Albuquerque MSA, and is home to the University of New Mexico, Kirtland Air Force Base and Sandia National Laboratories

The Albuquerque MSA continues to enjoy strong population growth, continued residential and non-residential construction and unemployment rates below the State as a whole and the nation. The positive influence of defense related industries located in the County is a historical fact; however, economic diversification has increased in recent years. The mission of Sandia National Laboratories has changed over the years to include non-defense research. Sandia has entered into a number of joint research projects with private industry and has placed a major emphasis on the transfer of

technology to benefit existing industries and to spawn new ones. It is anticipated that the greater diversification in the role of Sandia will further the diversification of the area economy. Because of its accessibility and tourist facilities, the County and the surrounding area is the gateway for tourism in New Mexico as well as an attraction in its own right. The County and the City of Albuquerque features the historic “Old Town”, the Sandia Peak Tramway and ski area , a number of nationally recognized museums and the Cibola National Forest. Other attractions include the Albuquerque International Balloon Fiesta, the National Hispanic Cultural Center, the Gathering of Nations native American event, the National Arabian Horse Show and the New Mexico State Fair. There are several Indian pueblos within easy driving distance that draw many tourists because of their historical and cultural significance and arts.

The Albuquerque MSA was ranked number 1 in the “Top Ten Best Metros” in the “Best Places for Business and Careers” published in May, 2006. The article noted the area’s low business costs, benefits of an educated and rising household incomes.

COUNTY GOVERNMENT

Bernalillo County operates under commission-manager form of government and provides for public safety, highways and streets, sanitation, cultural and recreational services, public improvements, planning and zoning, and general administrative services. Legislative and some executive power is vested in a five-member Board of County Commissioners, who are elected for four-year terms from single member districts. Administration is overseen by a County Manager, who has responsibility for 25 departments.

THE GOVERNMENT BODY

Bernalillo County was established by the laws of 1876, under the provisions of the Act now referred to as Section 4-1-1 of the New Mexico State Statutes Annotated, 1978 Compilation. The county operates under the commission-manager form of government and provides for public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Brief resumes of the County Manager, key financial staff members and the five County Commissioners are as follows:

BERNALILLO COUNTY COMMISSIONERS

Alan B. Armijo, Chair, District 1. Term expires December 2010; first elected, November 2002. Joins the Board of County Commissioners after serving as an Albuquerque City Councilman for twelve years. Mr. Armijo has a long and distinguished career in public service. He is currently the Governmental Liaison for APS where he has over twenty-three years of experience as a teacher and coach and 30 years as an educator. He holds a Master and Bachelor’s Degree in Education from the University of New Mexico and a certificate from the Harvard John F. Kennedy School of Government Program. He is an advocate for education, youth programs, smart planning for growth and operating a fiscally responsible government.

Art De La Cruz Vice Chair, Commissioner, District 2. Term expires December 2012; a native of Bernalillo County's South Valley, Mr. De La Cruz has worked in County and City government for 34 years. As a 25-year County employee, he spent much of his career overseeing land and facilities acquisitions and enhancing the quality of life through expanded community services. Graduated from the University of New Mexico and later received a Master of Arts in Management from the University of Phoenix.

Maggie Hart Stebbins, Commissioner, District 3. Term expires November, 2010. The former incumbent, *Deanna Archuleta*, who was elected to a four (4) year term in November 2008, resigned the position in April, 2009 to accept a position with President Obama's administration. Ms. Hart Stebbins was appointed to the vacancy by New Mexico Governor Bill Richardson, and will serve until a successor is elected at the November 2010 general election. Ms. Hart Stebbins is a project manager with the Mid-Region Council of Government. She has a Bachelor of Arts degree from Harvard University where she excelled as a collegiate lacrosse player, and was inducted into the Harvard Varsity Club Hall of Fame in 1999. She has served on numerous boards and commissions for governmental entities and not for profit organizations.

Michael C. Wiener, Commissioner, District 4. Term expires December 2012; first elected November 2008. Graduate of the University of New Mexico. Mr. Wiener served as an Albuquerque City Councilor from 1985 to 1989 and as a New Mexico State Senator from 1992 through 1995. Occupation: Real Estate Broker.

Michael Brasher, Commissioner, District 5. Term expires December 2010; first elected 2002; actively involved in his community and regularly attends neighborhood association meetings in the district. He is the General Manager of KANW Radio, a noncommercial educational station owned and operated by the Albuquerque Public Schools. He possesses twenty-five years of experience in broadcasting. A lifelong resident of the Albuquerque community, he is an avid bicyclist and enjoys the native terrain and dry temperate climate.

COUNTY MANAGER AND STAFF

Thaddeus Lucero, County Manager. Graduated from the University of Washington in Seattle with a Bachelor of Arts Degree in Urban Planning in 1981, then attended John F. Kennedy School of Government - Harvard University Program for Senior Executives in July 1996. From 1985-1991, Mr. Lucero worked for the City of Seattle as a Neighborhood Planner and as Economic Development Manager. Mr. Lucero began his career with Bernalillo County as a Senior Zoning Inspector in 1992, and was then promoted to Program Planner in February 1993. Mr. Lucero served as Zoning, Building and Planning Director for Bernalillo County from 1994 to 1997. He was appointed Community Services Division Director on January 5, 1998 and managed the day-to-day operations and long-term objectives for the following departments: Housing, Parks and Recreation and Zoning, Building and Planning. Mr. Lucero was appointed County Manager effective September 20, 2003.

Dan Mayfield, CFGM, Deputy County Manager for Budget and Finance. Joined Bernalillo County as Comptroller in March of 1989. Has progressive managerial experience in accounting and finance since 1972. Mayfield received an MBA from New Mexico Highlands University and a BBA from the University of New Mexico. Mr. Mayfield received CGFM, Certificate # 2254 issued in 1995.

RETIREMENT PLAN

Plan Description. Substantially all of the Bernalillo County 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, 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. That report may be obtained by writing to PERA, PO Box 2123, Santa Fe, New Mexico 87504-2123.

Funding Policy. Plan members are required to contribute 9.15-16.3% of their gross salary and the County is required to contribute 9.15-21.25% depending upon the division of the gross covered salary. The contribution requirements of plan members and the County are established 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, 2008, 2007, and 2006 were \$10,319,466, \$9,292,843, and \$7,088,026, respectively, equal to the amount of the required contributions for each year. The following table outlines the divisions the County participates in and the contributions for the year ending June 30, 2008.

<u>Covered Division</u>	<u>Employee</u>		<u>Employer</u>	
	<u>Percent</u>	<u>Dollars</u>	<u>Percent</u>	<u>Dollars</u>
General-management, blue collar and white collar	13.15%	\$5,174,638	9.15%	\$3,922,100
General-other	9.15%	\$20,415	9.15%	\$17,296
Sheriff	16.30%	\$1,971,039	18.50%	\$2,348,989
Fire	16.20%	\$1,040,513	21.25%	\$1,525,745
Juvenile Detention Center	16.65%	\$2,069,884	16.65%	\$2,505,236

Source: Bernalillo County

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF THE COUNTY

2008 AUDIT REPORT

Moss Adams, LLP, Certified Public Accountants & Business Consultants, of Albuquerque, New Mexico and the office of the State Auditor conducted the audit of the County's general-purpose financial statements and the combining and individual fund and account group financial statements for the fiscal year ended June 30, 2008. The report of such accounting firm is attached as Appendix C hereto.

See "APPENDIX C – STATE OF NEW MEXICO COUNTY OF BERNALILLO COMPREHENSIVE ANNUAL FINANCIAL REPORT, FISCAL YEAR ENDED JUNE 30, 2008" for the County's complete audited financial statements.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into the following generic fund types:

GOVERNMENTAL FUND TYPES

1. General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. It is funded primarily through property, sale and other miscellaneous taxes.
2. Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

3. Capital Project Funds - The Capital Project Funds are used to account for financial resources to be used for the acquisition of major capital facilities and related costs. Capital Project funding is comprised of bond proceeds, federal and state grants and/or current federal funds.
4. Special Revenue Funds - The County receives funds from various sources, the expenditure of which is legally restricted to specified purposes. These revenues and expenditures are accounted for in this fund.

Proprietary Fund Type-Enterprise Funds.

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

Fiduciary Fund Type-Agency Funds.

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

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resource." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable sources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost, except for donated assets which are valued at their fair market value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not “funds.” They are concerned only with the measurement of financial position. They are not involved with the measurement of the results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Because they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. If the amounts of revenues cannot be reasonably estimated or realization is not assured, or if the revenues will not be available to pay current liabilities, they are not recorded as a revenue in the current year. Under these accounting policies, property taxes collected but unremitted to the County and expenditures in excess of grant revenues are accrued as receivables at the year end.

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THE COUNTY'S CURRENT FINANCES

Statement of Activities for year ended June 30, 2009 (Unaudited)

Functions/Programs	Program Revenues			Primary Government		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Business-type Activities	
Primary government:						
Governmental activities:						
General government	70,155,157	29,818,073	346,608	10,087,748	(29,902,728)	(29,902,728)
Public works	50,092,431	-	9,931,000	20,927,024	(29,155,476)	(29,155,476)
Public safety	156,911,320	-	10,654,921	809,420	(145,446,979)	(145,446,979)
Culture and recreation	11,426,758	-	557,640	3,150,736	(7,718,382)	(7,718,382)
Health and welfare	31,911,866	-	13,182,226	2,909,854	(15,819,786)	(15,819,786)
Interest on long-term debt	15,577,204	-	-	(15,577,204)	-	(15,577,204)
Total governmental activities	336,074,736	29,818,073	24,751,326	37,884,782	(243,620,555)	(243,620,555)
Business-type activities:						
Solid waste	5,215,029	4,495,377	176,000	-	(543,652)	(543,652)
Housing authority	1,576,798	575,634	-	406,227	(594,937)	(594,937)
Seybold Village Handicapped Project	320,744	42,446	-	75,952	(202,346)	(202,346)
Regional Juvenile Detention Center	960,180	1,058,848	-	-	98,668	98,668
El Centro Familiar	450,958	160,089	151,781	-	(139,088)	(139,088)
Total business-type activities	8,523,709	6,332,394	327,781	482,179	(1,381,355)	(1,381,355)
Total primary government	344,598,445	36,150,467	25,079,107	38,366,961	(243,620,555)	(245,001,910)

Statement of Activities for year ended June 30, 2009 (Unaudited), continued

Property taxes	120,069,963	-	120,069,963
Gross receipts taxes	114,116,141	-	114,116,141
Motor vehicle taxes	3,582,607	-	3,582,607
Cigarette taxes	6,758	-	6,758
Gas taxes	2,037,969	-	2,037,969
Investment income	10,865,039	45,191	10,910,230
Miscellaneous	296,236	33,858	330,094
Transfers	13,317,702	712,172	14,029,874
Total general revenue and transfers	264,292,415	791,221	265,083,636
	20,671,860	(590,134)	20,081,726
Net assets, beginning	549,196,736	4,948,279	554,145,015
	569,868,596	4,358,145	574,226,741

Statement of Activities for year ended June 30, 2008 (Audited)

Net (Expenses) Revenues and Changes in Net Assets

Functions/Programs	Program Revenues				Primary Government		
	Expenses	Charges for Services and Contributions	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$45,609,786	\$36,526,187	\$232,986	-	\$ (8,850,613)		\$ (8,850,613)
Public works	52,518,685	-	-	27,882,786	(24,635,899)		(24,635,899)
Public safety	143,867,733	-	12,688,872	5,063,696	(126,115,165)		(126,115,165)
Culture and recreation	12,637,946	138	743,616	6,124,856	(5,769,336)		(5,769,336)
Health and welfare	28,083,075	-	14,475,407	2,921,570	(10,686,098)		(10,686,098)
Interest on long-term debt	15,585,987	-	-	-	(15,585,987)		(15,585,987)
Total governmental activities	298,303,212	36,526,325	28,140,881	41,992,908	(191,643,098)		(191,643,098)
Business-type activities:							
Solid waste	4,910,418	4,373,905	165,001	-	-	(371,512)	(371,512)
Housing authority	860,653	537,282	123,696	395,128	-	195,453	195,453
Seybold Village Handicapped Project	235,027	41,392	56,546	38,853	-	(98,236)	(98,236)
Regional Juvenile Detention Center	923,826	859,131	-	-	-	(64,695)	(64,695)
El Centro Familiar	426,170	170,909	153,239	-	-	(102,022)	(102,022)
Total business-type activities	7,356,094	5,982,619	498,482	433,981	-	(441,012)	(441,012)
Total primary government	\$305,659,306	\$42,508,944	\$28,639,363	\$42,426,889	\$(191,643,098)	\$(441,012)	\$(192,084,110)

Statement of Activities for year ended June 30, 2008 (Audited), continued

Property taxes	113,789,778	-	113,789,778
Gross receipts taxes	120,264,324	-	120,264,324
Motor vehicle taxes	4,301,323	-	4,301,323
Cigarette taxes	6,077	-	6,077
Gas taxes	1,572,980	-	1,572,980
Investment income	16,046,244	83,879	16,130,123
Miscellaneous	9,525,633	383,895	9,909,528
Transfers	(384,894)	384,894	-
Total general revenue and transfers	265,121,465	852,668	265,974,133
	73,478,367	411,656	73,890,023
	475,718,369	4,536,623	480,254,992
	\$549,196,736	\$4,948,279	\$554,145,015

Statement of Activities for year ended June 30, 2007 (Audited)

Functions/Programs	Program Revenues					Primary Government	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	47,569,157	47,003,455	442,797	129,563	6,658		6,658
Public works	32,604,280		17,536	36,292,565	3,705,565		3,705,281
Public safety	129,957,959		5,207,981	844,478	(123,905,500)		(123,905,500)
Culture and recreation	15,337,172	48,720	260,933	4,741,191	(10,286,328)		(10,286,328)
Health and welfare	25,862,321		15,807,842	3,758,832	(6,295,647)		(6,295,647)
Interest on long-term debt	15,221,474				(15,221,474)		(15,221,474)
Total governmental activities	266,552,363	47,052,175	21,737,089	45,766,629	(151,996,470)		(151,996,470)
Business-type activities:							
Solid waste	4,483,095	3,646,753	314,140			(522,202)	(522,202)
Housing authority	847,572	191,210		452,903		(203,459)	(203,459)
Seybold Village Handicapped Project	172,947	30,942	54,556	29,691		(57,758)	(57,758)
Regional Juvenile Detention Center	1,158,479	1,171,934				13,455	13,455
EI Centro Familiar	354,557	110,664	214,296			(29,597)	(29,597)
Total business-type activities	7,016,650	5,151,503	582,992	482,594		(799,561)	(799,561)
Total primary government	273,569,013	52,203,678	22,320,081	46,249,223	(151,996,470)		(152,796,031)

Statement of Activities for year ended June 30, 2007(Audited), continued

Property taxes	101,617,379.00	101,617,379.00
Gross receipts taxes	107,167,291.00	107,167,291.00
Motor vehicle taxes	3,788,667.00	3,788,667.00
Cigarette taxes	6,454.00	6,454.00
Gas taxes	1,636,764.00	1,636,764.00
Investment income	13,833,232.00	103,533.00
Miscellaneous	10,477,726.00	117,150.00
	2,150,139.00	321,444.00
	240,677,672.00	542,127.00
Total general revenue and transfers	88,681,202.00	(257,434.00)
	387,037,167.00	4,794,057.00
	475,718,369.00	4,536,623.00
		480,254,992.00

Statement of Activities for year ended June 30, 2006 (Audited)

Functions/Programs	Net (Expenses) Revenues and Changes in Net Assets					
	Program Revenues			Primary Government		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 52,599,053	\$ 280,737	\$ 11,152	\$ (21,450,179)		\$ (21,450,179)
Public works	40,847,247	-	22,506,345	(18,340,902)		(18,340,902)
Public safety	109,844,858	8,267,824	161,551	(101,415,483)		(101,415,483)
Culture and recreation	14,421,312	887,767	1,355,935	(12,177,459)		(12,177,459)
Health and welfare	19,204,043	12,511,372	177,626	(6,515,045)		(6,515,045)
Interest on long-term debt	14,199,129	-	-	(14,199,129)		(14,199,129)
Total governmental activities	251,115,642	30,857,136	21,947,700	(174,098,197)		(174,098,197)
Business-type activities:						
Solid waste	4,257,715	4,022,140	-	-	(38,600)	(38,600)
Housing Authority	469,038	79,889	-	-	(389,149)	(389,149)
Seybold Village Handicapped Project	168,763	40,163	-	-	(128,600)	(128,600)
Regional Juvenile Detention Center	1,273,084	1,245,626	-	-	(27,458)	(27,458)
El Centro Familiar	404,069	107,485	-	-	(296,584)	(296,584)
Total business-type activities	6,572,669	5,495,303	196,975	-	(880,391)	(880,391)
Total primary government	\$ 257,688,311	\$ 36,352,439	\$ 22,144,675	\$ 24,212,609	(880,391)	(174,978,588)
Property taxes				95,070,478	-	95,070,478
Gross receipts taxes				74,565,522	-	74,565,522
Motor vehicle taxes				4,132,542	-	4,132,542

Cigarette taxes	5,707	-	5,707
Gas taxes	1,964,503	-	1,964,503
Investment income	9,043,065	50,653	9,093,718
Operating grants	-	534,517	534,517
Miscellaneous	13,182,736	107,233	13,289,969
	-	-	-
	-	16,688	16,688
Total general revenue and transfers	197,964,553	709,091	198,673,644
Change in net assets	23,866,356	(171,300)	23,695,056
	365,264,649	5,175,390	370,440,039
Prior period adjustment	-	(210,033)	(210,033)
	365,264,649	4,965,357	370,230,006
	\$ 389,131,005	\$ 4,794,057	\$ 393,925,062

*Statement of activities for year ended June 30, 2005
(Audited)*

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Operating		Capital	Primary Government			
	Charges for Service	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Functions/Programs							
Primary Government:							
Government activities:							
General government	\$ 45,288,911	\$ 21,395,970	\$ 1,008,250	\$ -	\$ (22,884,691)	\$ -	\$ (22,884,691)
Public safety	34,986,816	-	2,357	13,038,508	(21,945,951)	-	(21,945,951)
Culture and recreation	89,268,696	-	7,427,307	39,915	(81,801,474)	-	(81,801,474)
Health and welfare	11,411,012	60	852,589	1,106,620	(9,451,743)	-	(9,451,743)
Public works	19,266,114	-	12,535,023	874,397	(5,856,694)	-	(5,856,694)
Interest and other charges	15,077,459	-	-	-	(15,077,459)	-	(15,077,459)
Total governmental activities	215,299,008	21,396,030	21,825,526	15,059,440	(157,018,012)	-	(157,018,012)
Business-like activities:							
Solid waste	3,255,586	3,050,320	139,226	-	-	(66,040)	(66,040)
Housing Authority	1,036,213	479,823	-	-	-	(556,390)	(556,390)
Seybold Village Handicapped Project	145,955	31,905	-	-	-	(114,050)	(114,050)
El Centro Familiar	382,877	95,764	-	-	-	(287,113)	(287,113)
Regional Juvenile Detention Center	1,330,647	1,245,191	-	-	-	(85,456)	(85,456)
Total business-like activities	6,151,278	4,903,003	139,226	-	-	(1,109,049)	(1,109,049)
Total primary government	\$221,450,286	\$26,299,033	\$21,964,752	\$15,059,440	\$(157,018,012)	\$ (1,109,049)	\$(158,127,061)

Statement of activities for year ended June 30, 2005 (Audited), continued

General Revenues:			
Property taxes	97,468,762	-	97,468,762
Gross receipts taxes	55,548,897	-	55,548,897
Motor vehicle taxes	3,608,463	-	3,608,463
Cigarette taxes	5,511	-	5,511
Gas taxes	1,680,496	-	1,680,496
Investment income	6,952,564	9,022	6,961,586
Operating grants	-	558,439	558,439
Miscellaneous revenue	10,845,578	119,688	10,965,266
Transfers	200,000	(200,000)	-
Capital contributions-capital assets	-	1,113,598	1,113,598
Total general revenues and transfers	176,310,271	1,600,747	177,911,018
Change in net assets	19,292,259	491,698	19,783,957
Beginning net assets	346,202,703	4,059,309	350,262,012
Reclassifications	(230,313)	624,383	394,070
Beginning net assets - as reclassified	345,972,390	4,683,692	350,656,082
Ending net assets	\$ 365,264,649	\$ 5,175,390	\$ 370,440,039

Source: Audited Financial Statements for year ended June 30, 2005.

Statement of activities for year ended June 30, 2004
(Audited)

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			Component Unit	
	Expenses	Operating		Capital Grants and Contributions	Governmental Activities	Business-Type Activities			Total
		Charges for Service	Grants and Contributions			Grants and Contributions	Redevelopment Corporation		
Primary Government:									
Government activities									
General government	\$ 37,501,192	\$ 16,687,785	\$ 504,723	\$ 6,355	\$ (20,302,329)	\$ -	\$ (20,302,329)	\$ -	
Public safety	32,294,831	-	356,530	21,216,205	(10,722,096)	-	(10,722,096)	-	
Culture and recreation	82,328,864	-	8,503,339	103,493	(73,722,032)	-	(73,722,032)	-	
Health and welfare	11,409,199	97	841,768	1,644,695	(8,922,639)	-	(8,922,639)	-	
Public works	18,785,416	-	11,509,565	873,929	(6,401,922)	-	(6,401,922)	-	
Interest and other charges	14,651,079	-	-	-	(14,651,079)	-	(14,651,079)	-	
Total governmental activities	196,970,581	16,687,882	21,715,925	23,844,677	(134,722,097)	-	(134,722,097)	-	
Business-like activities:									
Solid waste	3,353,335	3,054,698	148,490	-	-	(150,147)	(150,147)	(150,147)	
Housing Authority	1,672,735	1,528,126	-	-	-	(144,609)	(144,609)	(144,609)	
Seybold Village Handicapped Project	126,954	31,563	-	-	-	(95,391)	(95,391)	(95,391)	
Regional Juvenile Detention Center	1,275,350	1,331,114	-	-	-	55,764	55,764	55,764	
Total business-like activities	6,428,374	5,945,501	148,490	-	-	(334,383)	(334,383)	-	
Total primary government	\$203,398,955	\$22,633,383	\$21,864,415	\$23,844,677	\$(134,722,097)	\$ (334,383)	\$(135,056,480)	\$ -	
Component unit:									
Redevelopment Corporation	\$ 392,493	\$ 97,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (294,850)	

Statement of activities for year ended June 30, 2004 (Audited)

General Revenues:				
Property taxes	94,043,897	-	94,043,897	
Gross receipts taxes	38,725,557	-	38,725,557	
Motor vehicle taxes	3,547,419	-	3,547,419	
Cigarette taxes	6,477	-	6,477	
Gas taxes	1,553,716	-	1,553,716	
Investment income	5,184,585	5,175	5,189,760	2,538
Operating grants	-	708,896	708,896	230,634
Miscellaneous revenue	11,332,291	119,379	11,451,670	
Transfers	200,000	(200,000)	-	
Total general revenues and transfers	154,593,942	633,450	155,227,392	233,172
Change in net assets	19,871,845	299,067	20,170,912	(61,678)
Beginning net assets	325,034,598	3,931,578	328,966,176	686,061
Prior period adjustment	1,296,260	(171,336)	1,124,924	-
Beginning net assets - as adjusted	326,330,858	3,760,242	330,091,100	686,061
Ending net assets	\$ 346,202,703	\$ 4,059,309	\$ 350,262,012	\$ 624,383

Source: Audited Financial Statements for year ended June 30, 2004.

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF NET ASSETS
June 30, 2008

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 309,492,319	\$ 2,482,466	\$ 311,974,785
Accounts receivable, net	42,400,177	1,384,484	43,784,661
Accrued interest receivable	1,775,918	395	1,776,313
Note receivable	242,837	-	242,837
Due from grantor	15,577,130	-	15,577,130
Internal balances	784,086	(784,086)	-
Inventory	741,419	-	741,419
Prepaid assets	1,619,235	-	1,619,235
Deferred charges	1,126,228	-	1,126,228
Cash-restricted	16,681,279	-	16,681,279
Investment on joint venture	633,000	-	633,000
Capital assets not being depreciated:			
Land	126,161,702	639,444	126,801,146
Art	2,074,462	-	2,074,462
Construction in progress	63,704,927	-	63,704,927
Capital assets (net of accumulated depreciation):			
Building	169,298,644	4,577,349	173,875,993
Machinery and equipment	12,399,882	317,213	12,717,095
Infrastructure	161,043,915	-	161,043,915
Leasehold improvements	2,401,189	-	2,401,189
Total assets	928,158,349	8,617,265	936,775,614
LIABILITIES			
Accounts payable	16,660,850	208,288	16,869,138
Interest payable	4,165,724	5,839	4,171,563
Retainage payable	1,656,893	-	1,656,893
Tax anticipation note payable	55,000,000	-	55,000,000
Accrued payroll	3,764,242	60,676	3,824,918
Unearned revenue	9,376,404	456,559	9,832,963
Due to grantor	679,500	-	679,500
Deposits held in trust for others	-	34,951	34,951
Noncurrent liabilities:			
Due within one year	26,245,847	66,980	26,312,827
Due in more than one year	261,412,153	2,835,693	264,247,846
Total liabilities	378,961,613	3,668,986	382,630,599

NET ASSETS

Invested in capital assets, net of related debt	308,271,760	2,839,330	311,111,090
Restricted for:			
Public safety	4,937,404	-	4,937,404
Culture and recreation	4,285	-	4,285
Health and welfare	16,595,886	-	16,595,886
Debt service	2,679,485	-	2,679,485
Capital projects	50,218,147	-	50,218,147
General government	8,153,126	-	8,153,126
Reserve requirement	64,204,173	-	64,204,173
Unrestricted	94,132,470	2,108,949	96,241,419
Total net assets	<u>\$ 549,196,736</u>	<u>\$ 4,948,279</u>	<u>\$ 554,145,015</u>

AREA ECONOMIC INFORMATION

POPULATION

<u>Year</u>	<u>Bernalillo County</u>	<u>Albuquerque MSA</u>	<u>State</u>
1960	262,199	292,500	951,023
1970	315,774	353,800	1,017,055
1980	420,262	485,500	1,303,303
1990	480,577	589,131	1,515,069
2000	556,678	712,738	1,819,046
2008 est.	635,139	845,913	1,984,356

Source: U.S. Department of Commerce, Bureau of the Census, except as indicated in footnotes.

PER CAPITA PERSONAL INCOME - BERNALILLO COUNTY

<u>Year</u>	<u>Bernalillo County</u>	<u>New Mexico</u>	<u>U.S.A.</u>	<u>% of N.M.</u>	<u>% of U.S.</u>
2007	\$34,983	\$30,706	\$38,615	114.00%	90.59%
2006	\$33,932	\$29,346	\$36,794	115.63%	92.22%
2005	\$32,931	\$27,907	\$34,471	118.00%	95.53%
2004	\$30,986	\$26,366	\$33,090	117.52%	93.64%
2003	\$29,845	\$24,975	\$31,466	120.28%	95.5%
2002	\$29,427	\$24,330	\$30,795	121.7%	95.5%
2001	\$29,697	\$24,083	\$30,562	123.0%	95.3%
2000	\$27,078	\$22,134	\$29,845	122.1%	88.7%
1999	\$25,677	\$21,042	\$29,847	122.0%	86.0%
1998	\$25,154	\$20,656	\$27,939	121.7%	90.0%
1997	\$24,052	\$19,698	\$26,883	122.1%	89.4%
1996	\$23,413	\$18,964	\$25,334	123.4%	92.4%

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

NON-AGRICULTURAL EMPLOYMENT – BERNALILLO COUNTY

Albuquerque MSA²	2008^p	2007^r	2006	2005	2004	2003	2002
Total Employment	395.5	395.8	391.5	377.9	370.2	363.1	361.7
Total Private	314.3	316.3	313.1	301.7	295.5	289.8	289.3
Goods Producing	50.7	54.2	55.5	51.4	48.6	47.5	48.2
Services Providing	263.6	262.2	257.6	250.3	246.9	242.3	241.1
Mining, Logging & Construction	28.5	30.5	31.4	28.6	25.9	24.1	23.4
Manufacturing	22.2	23.7	24.1	22.8	22.6	23.4	24.8
Wholesale Trade	13.2	13.3	13.2	13.0	12.8	13.0	13.4
Retail Trade	44.6	44.6	43.7	43.6	42.9	42.2	41.8
Transp., Warehousing & Utilities	10.8	10.9	10.5	10.4	10.5	10.5	10.6
Information	9.4	9.2	9.4	8.7	9.6	10.2	11.0
Financial Activities	18.8	19.2	19.2	19.3	19.1	18.8	18.9
Professional & Business Services	64.4	64.3	62.9	60.7	59.2	57.5	57.8
Educational & Health Services	51.1	49.0	47.9	46.3	45.0	42.7	41.3
Leisure & Hospitality	39.0	39.4	38.5	36.5	36.1	35.8	34.8
Other Services	12.5	12.2	12.1	11.9	11.8	11.7	11.5
Government	81.3	79.5	78.5	76.2	74.7	73.4	72.4

* Detail may not add to totals because of rounding.

r Revised.

p Preliminary.

1 Nonagricultural wage and salary employment is on a place of work basis and excludes proprietors, farm workers and unpaid family workers

CIVILIAN LABOR FORCE

<i>Bernalillo County</i>	<u>2009</u> <u>(Q3)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Labor Force	315,057	319,699	318,242	313,406	303,920
Employment	291,376	305,302	307,963	301,179	289,198
Unemployment	23,681	14,397	10,278	12,227	14,722
Percentage Unemployment – Bern. County	7.5%	4.5%	3.2%	3.9%	4.8%
Percentage Unemployment – New Mexico	7.5%	4.4%	3.3%	4.2%	5.3%
Percentage Unemployment – United States	10.5%	5.8%	4.6%	4.6%	5.1%

AREA EMPLOYERS

Located in the heart of the Southwest, Albuquerque is seen as a manufacturing and high-tech research center because of the presence of a dynamic blend of major manufacturers and public institutions. Manufacturers such as Intel, large public institutions such as the University of New Mexico and Kirtland Air Force Base, two federally funded Air Force research laboratories, Sandia National Laboratories, and a host of local technology companies make Albuquerque a compelling place to research, develop, and manufacture products.

Nearly 20% of Albuquerque's labor force is dedicated to a diverse set of public institutions. The University of New Mexico is a large employer, serving more than 26,000 students at its main campus in Albuquerque. The University of New Mexico is also a dominant employer in the area - contributing millions to the local economy. Kirtland Air Force Base is the area's largest employer with over 16,000 civilian workers. The presence of Sandia National Laboratories in Albuquerque has brought researchers from around the world to conduct analysis on technologies that help protect the United States.

Manufacturers

Company	Employees	Description
<u>Intel Corporation</u>	3,300	Semiconductor Mfg.
<u>Honeywell Defense & Space Electronic Systems</u>	1,100	Aircraft Avionics Mfg.
<u>Ethicon Endo-Surgery</u>	530	Medical Instruments Mfg.
<u>GE Aircraft Engines</u>	500	Aircraft Engines Mfg.
<u>Thomas & Betts</u>	490	Electrical Connectors Mfg.
<u>General Mills</u>	190	Cereal Mfg.

Major Public Facility/Institution in the Albuquerque Metro

Company	Employees	Description
<u>Kirtland Air Force Base</u>	35,690 (Civilian)* 4,860 (Military)	377th Air Base Wing

<u>University of New Mexico</u>	14,300	Higher Education
<u>Albuquerque Public Schools</u>	14,480	Local Government
<u>Sandia National Laboratories</u>	8,400	Federal Government
<u>City of Albuquerque</u>	6,680	Local Government
<u>Central NM Community College</u>	1,770	Higher Education
<u>Bernalillo County</u>	2,300	Local Government

*Kirtland's civilian employment number includes all Department of Energy employees, including Sandia National Labs, and contractors employed on and off base. Please note that the major change in employment between FY05 and FY06 is due to a data collection change (inclusion of off base contractors) and not an increase in employment.

Major Back Office Employers

<u>Company</u>	<u>Employees</u>	<u>Description</u>
<u>Verizon</u>	1,600	Customer Service Center
<u>T-Mobile</u>	1,500	Customer Service Center
<u>CitiCards</u>	1,100	Account Collection
<u>Convergys</u>	1,050	Customer Service Center
<u>SfTel</u>	1,025	Customer Service Center
<u>Blue Cross/Blue Shield</u>	905	Insurance Claims Processor
<u>Sprint PCS</u>	700	Customer Service Center
<u>eTelecare Global Solutions</u>	650	Customer Service Center
<u>Bank of America</u>	530	Customer Service Center
<u>Gap Inc.</u>	400	Shared Services Center
<u>Express Scripts</u>	300	Prescription Mail Order

Notable Technology Companies in the Albuquerque Metro

<u>Company</u>	<u>Employees</u>	<u>Description</u>
<u>Encore</u>	450	VCSELS - Compound Semiconductors
<u>Ktech Corp.</u>	445	Engineering, Specialty Manufacturing
<u>CVI Laser Corp.</u>	200	Laser Optics Manufacturer
<u>GE Fanuc Embedded Systems</u>	175	Computer Components
<u>Applied Research Associates, Inc.</u>	100	Engineering, R&D, for Extreme Environments
<u>QinetiQ</u>	60	Management & Technology Consulting

Small and Emerging High Tech Companies in the Albuquerque Metro

<u>Company</u>	<u>Description</u>
<u>MEMX</u>	MEMS and Nanotechnology Products
<u>HT Micro, Inc.</u>	Micro-Fluidic and Micro-Mechanical Systems Design and Fabrication

MesoFuel	On-Demand Hydrogen Generation Systems Developer
Qynergy	Compact Energy Sources Developer
MesoSystems	Biosafety and Security Products

New Businesses in the Albuquerque Metro

Company	Announced Date	Current Empl	Future Empl	Description
Everything Channel	2009	-	70	Sales and marketing services
Solar Array Ventures	2009	-	1,000	Solar panel manufacturer
ReelzChannel	2009	-	100	TV network
Hewlett-Packard	2008	-	1,350	Technical/Customer Support Center
Fidelity Investments	2008	400	1,250	Human resource services
SCHOTT Solar	2008	300	1,500	Photovoltaic modules and receiver tubes
Molina Healthcare	2008	-	15	Data Center
Sony Pictures Imageworks	2007	40	250	Computer-Generated Special Effects and Animation
PR Newswire	2007	125	-	Operations Center
<u>Albuquerque Studios</u>	2007	75	75	Film/TV Production Studio
Shamrock Foods	2006	100	-	Food Products Distribution Center
<u>Prime Therapeutics</u>	2006	185	160	Mail Service Pharmacy
<u>Verizon Wireless</u>	2006	1,600	1,700	Customer Technical Support Center

<u>Merillat Industries Inc.</u>	2006	250	700	Cabinet Maker
<u>Tempur-Pedic International</u>	2006	70	300	Mattress and Pillow Manufacturer
<u>Aero Mechanical Industries</u>	2005	70	170	Aircraft Repair and Manufacturing
<u>U.S. Forest Service</u>	2005	1,400	1,400	Financial Services Center
<u>Stainless Motors, Inc.</u>	2004	20	-	Stainless Steel Products Manufacturer

Expanding Businesses in the Albuquerque Metro

<u>Company</u>	<u>Expansion Date</u>	<u>Current Employment</u>	<u>Future Employment</u>	<u>Description</u>
<u>General Mills</u>	Exp - 2009-2010	190	250	Cereal and Snack Food Mfg.
<u>Verizon</u>	2009	1,600	1,700	Customer Service Center
<u>SfTel</u>	Aug. 2005	1,025	-	Sales, Retention, Customer Service, Tech Support
<u>Sandia Resort & Casino</u>	Dec. 2005	1,800	-	Resort and Casino
<u>Sandia National Laboratories</u>	Exp - 2003-2008	8,400	-	Microtechnology Laboratory and Nanotechnology Center

Source: Albuquerque Economic Development, Inc. 2009 Survey

LITIGATION

At the time of the original delivery of the Bonds, the County will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending or, to the knowledge of the appropriate officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the levying or collecting of taxes to pay the principal of and interest on the Bonds or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings and a no-litigation certificate (described above under “**LITIGATION**”) will be delivered by the County when the Bonds are delivered. The County will at that time also provide a certificate issued by the County Commission’s Chair relating to the accuracy and completeness of this Official Statement.

LEGAL MATTERS

The County has engaged Hughes Law, LLC, Albuquerque, New Mexico as Bond Counsel in connection with the issuance of the Bonds. Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest thereof (*see* “**TAX EXEMPTION**” below) are subject to the approving legal opinion of Bond Counsel. A signed copy of its opinion, dated the date of the original delivery of the Bonds will be delivered at the time of original delivery of the Bonds. Certain other matters will be passed upon by Hughes Law, LLC, as disclosure counsel.

UNDERTAKING TO PROVIDE ONGOING DISCLOSURE

The County has entered into an undertaking (the “Undertaking”) for the benefit of the holders of the Bonds to send certain financial information and operating data to certain information repositories annually and to provide notice to the Municipal Securities Rulemaking Board of certain events, pursuant to the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c-2-12 (17 C.F.R. Part 240, § 240.15c2-12) (the “Rule”). (See “APPENDIX B” hereto.)

The County has not failed to comply with any prior such undertaking under the Rule. A failure by the County to comply with the Undertaking will not constitute an Event of Default under the Bond Resolution (although Bondholders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

TAX MATTERS

In the opinion of Hughes Law, LLC, Bond Counsel, to be delivered at the time of the original issuance of the Bonds, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is not includible in gross income for federal income tax purposes. Bond Counsel is further of the opinion that interest on the Bonds is exempt from taxation by the State and its political subdivisions. A form of opinion of Bond Counsel is attached hereto as Appendix A.

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal tax purposes of interest on obligations, such as the Bonds. The County has covenanted in the Bond Ordinance to comply with certain guidelines designed to assure that interest on the Bonds will not become includible in gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income from the date of issue of the Bonds. The opinion of Bond Counsel assumes compliance with such covenants.

Bond Counsel has opined that interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax provisions contained in the Code.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences.

Bond Counsel’s opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinions are not a guarantee of a particular result, and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

INVESTMENT PROCEDURES FOR BERNALILLO COUNTY

INVESTMENTS

Various sections of the New Mexico Statutes Annotated 1978, as amended, control how New Mexico's local governments (including counties, municipalities and school districts) ("Local Governments") may invest funds not immediately necessary for public use. The primary purpose of these laws is to provide for safety of invested principal.

LEGAL INVESTMENTS

Local Governments, with the advice and consent of the body charged with the supervision and control of the Local Government's respective funds, have limited investment power over all sinking funds, or money remaining unexpended from the proceeds of any issue of bonds or other negotiable securities of the Local Government that is entrusted to the local public body's care and custody and all money not immediately necessary for the public use and not deposited in qualified banks, savings and loan associations and credit unions. These funds may only be invested in statutorily authorized investments as follows:

- (1) Bonds or negotiable securities of the State of New Mexico or of any county, municipality or school district which has a taxable valuation of real property of at least one million dollars (\$1,000,000) and has not defaulted in the payment of interest or sinking fund obligations or failed to pay any bonds at maturity at any time within the last five years;
- (2) Bonds or negotiable securities of the United States including U.S. Treasury bonds, notes or bills;
- (3) Other securities issued by the United States government or its agencies or instrumentalities that are backed by the full faith and credit of the United States government, or issued by agencies guaranteed by the United States government, which include Government National Mortgage Association (GNMA) mortgaged backed securities,

BUT DOES NOT INCLUDE Federal National Mortgage Association (FNMA) mortgage backed securities or Federal Home Loan Mortgage Corporation (FHLMC) mortgage backed securities, securities of the Federal Land Bank and the Federal Farm Credit Bank; and

- (4) Any bonds or other obligations issued pursuant to the Municipal Housing Law or issued by any public housing authority or agency in the United States, when such bonds or other obligations are secured by a pledge of annual contributions to be paid by the United States government or any agency thereof...provided, however, that nothing contained in the Municipal Housing Law shall be construed as relieving any person...from any duty of exercising reasonable care in selecting securities;

(5) contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be carried by the investor backed by the United States having a market value of at least one hundred two percent of the contract. The collateral securing such contracts with the foregoing financial institutions must be shown on the financial institution's books as being the property of the investing Local Government and the designation of the collateral must be contemporaneous with the investor;

(6) New Mexico also has a short term (less than thirty (30) days) investment fund created in the state treasury. The fund consists of all deposits from governmental entities and that are placed in the custody of the state treasurer for short-term investment purposes pursuant to law. The state treasurer shall invest the fund in permitted investments as set forth above and may elect to have the short-term investment fund consolidated for investment purposes with the state funds under the control of the state treasurer; provided that accurate and detailed accounting records are maintained for the account of each participating local government or entity and that a proportionate amount of interest earned is credited to each of the separate government accounts. The funds shall be invested to achieve its objective, which is to realize the maximum return consistent with safe and prudent management. At the end of each month, all interest earned from investment of the short-term investment fund shall be distributed by the state treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of the time the amounts in the funds were invested. No fees or transfer expenses are charged to the participating entities who invest in the short-term investment fund.

CURRENT INVESTMENTS

As of the date of this Official Statement, the County's investible funds were invested only in statutorily permitted investments set forth above.

No funds of the County are invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index or commodity.

RATINGS

Standard & Poor's has assigned a municipal bond rating of "AAA" to the Bonds.

Moody's Investors Service, Inc. has assigned a municipal bond rating of "Aa1" to the Bonds.

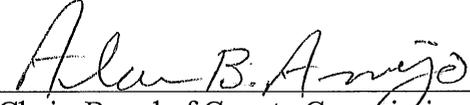
Fitch Ratings has assigned a municipal bond rating of "AA+" to the Bonds.

These rating reflect only the view of such rating agencies, and an explanation of the significance of such rating may be obtained from the respective rating agency. There is no assurance that such ratings will remain for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agencies, if in their judgments, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price for the Bonds.

COUNTY APPROVAL OF OFFICIAL STATEMENT

This Official Statement is deemed final; has been authorized and approved by the County; is considered to be true, complete and correct in all material aspects; and does not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements made herein, in light of the circumstances under which they were made, not misleading.

BERNALILLO COUNTY, NEW MEXICO


Chair, Board of County Commissioners

APPENDIX A

FORM OF LEGAL OPINION

APPENDIX A

FORM OF LEGAL OPINION

December __, 2009

Board of County Commissioners
Bernalillo County
One Civic Plaza, N.W., Suite 10111
Albuquerque, New Mexico 87102

\$10,750,000
Bernalillo County, New Mexico
General Obligation Bonds
Series 2009A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Board of County Commissioners of Bernalillo County, New Mexico (the "County") of its above-captioned bonds (the "Bonds"). We have examined the Constitution and laws of the State of New Mexico and such certified proceedings and other documentation as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the County, and are valid and binding general obligations of the County.
2. All taxable property within the County is subject to *ad valorem* taxation without limitation as to rate or amount to pay the Bonds. The County is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

3. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinions set forth in the preceding sentence are subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The County has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. The interest on the Bonds is exempt from taxation by the State of New Mexico under present New Mexico laws.

With regard to the Official Statement, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of our telephone conferences with the representatives of the County and our examination of the Official Statement and documents referenced in the Official Statement that we believe are material, nothing has come to our attention which leads us to believe that the Official Statement contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in any material respect except that we have not been engaged, or undertaken to review the accuracy, completeness or sufficiency of the financial or statistical information contained in the appendices to the Official Statement or other statistical and financial information contained in the Official Statement and therefore we express no opinion thereon, (except that we consent to the inclusion of a form of this opinion in the Official Statement).

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditor's rights generally and by equitable principles whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX B

UNDERTAKING TO PROVIDE ONGOING DISCLOSURE

APPENDIX B

CONTINUING DISCLOSURE UNDERTAKING

\$10,750,000

BERNALILLO COUNTY, NEW MEXICO

GENERAL OBLIGATION BONDS

SERIES 2009A

This instrument constitutes the written undertaking by the Bernalillo County, New Mexico (the “Issuer”) for the benefit of the holders of the above-captioned bonds (the “Bonds”) required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12) (the “Rule”). Capitalized terms used in this undertaking and not otherwise defined in Bernalillo County, New Mexico a resolution adopted by the Board of County Commissioners on December 8, 2009 (the “Resolution”) shall have the meanings assigned such terms in subsection 3 hereof.

1. The Issuer undertakes to provide the following information as provided herein:
 - a. Annual Financial Information;
 - b. Audited Financial Statements, if any; and
 - c. Material Event Notices.

2.
 - a. The Issuer shall, while any Bonds are Outstanding, provide the Annual Financial Information on or before March 31 of each year (the “Report Date”), beginning in 2011 to EMMA. The Issuer may adjust the Report Date if the Issuer changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date to EMMA; provided that the new Report Date shall be 270 days after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the Issuer provides to EMMA, the Annual Financial Information by specific reference to documents previously provided to EMMA or filed with the Securities and Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the Municipal Securities Rulemaking Board.

2.
 - b. If not provided as part of the Annual Financial Information, the Issuer shall provide the Audited Financial Statements when and if available while any Bonds are Outstanding to EMMA.

c. If a Material Event occurs while any Bonds are Outstanding, the Issuer shall provide a Material Event Notice in a timely manner to EMMA. Each Material Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

d. The Issuer shall provide in a timely manner to EMMA, notice of any failure by the Issuer while any Bonds are Outstanding to provide to EMMA, Annual Financial Information on or before the Report Date.

3. The following are the definitions of the capitalized terms used herein and not otherwise defined in the Resolution:

a. ***“Annual Financial Information”*** means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) for governmental units as prescribed by the Governmental Accounting Standards Board (“GASB”)) or operating data with respect to the Issuer, provided at least annually, of the type included in the final official statement with respect to the Bonds; which Annual Financial Information may, but is not required to, include Audited Financial Statements.

b. ***“Audited Financial Statements”*** means the Issuer’s annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State.

c. ***“EMMA”*** means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System located on its website at emma.msrb.org.

d. ***“Material Event”*** means any of the following events, if material, with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) Modifications to rights of security holders;
- (viii) Bond calls;
- (ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities; and

(xi) Rating changes.

e. **“Material Event Notice”** means written or electronic notice of a Material Event.

4. Unless otherwise required by law and subject to technical and economic feasibility, the Issuer shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the Issuer’s information.

5. The continuing obligation hereunder of the Issuer to provide Annual Financial Information, Audited Financial Statements, if any, and Material Event Notices shall terminate immediately once Bonds no longer are Outstanding. This undertaking, or any provision hereof, shall be null and void in the event that the Issuer delivers to EMMA an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. This undertaking may be amended without the consent of the Bondholders, but only upon the delivery by the Issuer to EMMA of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this undertaking by the Issuer with the Rule.

6. Any failure by the Issuer to perform in accordance herewith shall not constitute an “Event of Default” under the Bonds and the Resolution, and the rights and remedies provided by the Resolution upon the occurrence of an “Event of Default” shall not apply to any such failure; however, Bondholders may sue to enforce performance of the undertakings set forth herein.

[Remainder of page intentionally left blank]

In Witness Whereof, Bernalillo County, New Mexico has caused this instrument to be signed, subscribed, and executed, and attested with the signature of the Chair of the Board of County Commissioners; has caused its corporate seal to be affixed on this instrument; all as of December __, 2009.

BERNALILLO COUNTY, NEW MEXICO

/s/ _____
Board of County Commissioners, Chair