

NEW ISSUE
Book-Entry Only

RATINGS:
Standard & Poor's: AAA
Moody's Investors Service: Aaa
Fitch Rating: AAA

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, however, the interest on the Bonds will be taken into account in determining the adjusted current earnings for the purpose of computing the alternative minimum tax on certain corporations (as defined for federal income tax purposes). 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.)

\$17,800,000
BERNALILLO COUNTY, NEW MEXICO
GENERAL OBLIGATION BONDS
SERIES 2013

Dated: Date of Delivery

Due: August 15, 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 August 15 and February 15, commencing August 15, 2013. 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 (August 15)	Interest			Maturity (August 15)	Interest				
	Principal	Rate	Yield		CUSIP	Principal	Rate	Yield	CUSIP
2013	\$1,100,000	3.000%	0.190%	085275 F34	2021	\$1,500,000	4.000%	1.560%	085275 G33
2014	950,000	3.000	0.230	085275 F42	2022	1,500,000	4.000	1.740	085275 G41
2015	950,000	3.000	0.350	085275 F59	2023	1,500,000	2.000	2.000	085275 G58
2016	100,000	3.000	0.550	085275 F67	2024	1,750,000	2.000	2.100	085275 G66
2017	100,000	3.000	0.690	085275 F75	2025	1,800,000	2.125	2.250	085275 G74
2018	250,000	4.000	0.900	085275 F83	2026	1,800,000	3.000	2.600	085275 G82
2019	250,000	2.000	1.150	085275 F91	2027	1,900,000	3.000	2.680	085275 G90
2020	350,000	2.000	1.400	085275 G25	2028	2,000,000	3.000	2.750	085275 H24

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 various public purposes as more fully described herein.

The Bonds are offered when, as and if issued, subject to the approval of validity by Hughes Law, LLC, Albuquerque, New Mexico, Bond Counsel and Disclosure Counsel. It is anticipated that the Bonds will be available for delivery on or about March 13, 2013 through the facilities of DTC in New York, New York.

BERNALILLO COUNTY, NEW MEXICO

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Albuquerque, New Mexico 87102
Telephone: (505) 468-7000

COUNTY COMMISSION

Maggie Hart Stebbins, Chair
Debbie O'Malley, Vice Chair
Art De La Cruz, Commissioner
Lonnie C. Talbert, Commissioner
Wayne A. Johnson, Commissioner

COUNTY OFFICIALS

Tom Zdunek, County Manager
Manny Ortiz, Treasurer
Tanya R. Giddings, Assessor
Maggie Toulouse Oliver, Clerk

COUNTY FINANCE DEPARTMENT

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Deputy County Manager for Finance
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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 2013 (the "Bonds") in the aggregate principal amount of \$17,800,000 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 cover page and appendices, 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 2013-4 authorizing issuance of the Bonds adopted by the Board of County Commissioners (the "Board") on January 22, 2013 (the "Bond Resolution").

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 Municipal Securities Remarketing Boards Electronic Municipal Market Access system 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 did not timely file its financial information for the fiscal years ending June 30, 2007, June 30, 2008, and June 30, 2009. 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 to fund certain Projects of the County as approved by voters of Bernalillo County at the 2010 and 2012 general elections as follows: <table><tr><td>Roads</td><td>\$5,000,000</td></tr><tr><td>Storm Sewer/Wastewater Systems</td><td>6,400,000</td></tr><tr><td>Libraries</td><td>500,000</td></tr><tr><td>Public Safety</td><td>3,500,000</td></tr><tr><td>County Buildings</td><td>600,000</td></tr><tr><td>Recreational Facilities</td><td>1,800,000</td></tr></table>	Roads	\$5,000,000	Storm Sewer/Wastewater Systems	6,400,000	Libraries	500,000	Public Safety	3,500,000	County Buildings	600,000	Recreational Facilities	1,800,000
Roads	\$5,000,000												
Storm Sewer/Wastewater Systems	6,400,000												
Libraries	500,000												
Public Safety	3,500,000												
County Buildings	600,000												
Recreational Facilities	1,800,000												
SECURITY:	These Bonds are General Obligation Bonds of the County and are payable from general (<i>ad valorem</i>) 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 SEC Rule 15c2-12. (<i>See "APPENDIX B."</i>)												
DELIVERY:	Delivery of the Bonds to the purchaser through the facilities of the Depository Trust Company is expected on or about March 13, 2013.												
REDEMPTION:	The Bonds are subject to redemption prior to maturity as stated herein. See "The Bonds – Prior Redemption".												
PAYING AGENT/ REGISTRAR:	Initially, the Deputy County Manager for Finance or any successor named by the Board.												

PURPOSE AND PLAN OF FINANCING

Proceeds of the Bonds will be used to fund roads, libraries, public safety projects, and recreational facilities. 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:	\$17,800,000.00
Original Issue Premium (Discount):	\$888,671.00
TOTAL SOURCES OF FUNDS:	<u>18,688,671.00</u>
Project funds:	17,800,000.00
Deposit to Interest & Sinking Fund:	714,183.50
Costs of Issuance * :	174,487.50
TOTAL USES OF FUNDS:	<u>\$18,688,671.00</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 fund \$6,400,000 in storm sewer /wastewater system projects as approved by voters of Bernalillo County at the 2010 general election; and \$5,000,000 in road projects, \$500,000 in library projects, \$3,500,000 in public safety projects, \$600,000 in facility improvements and \$1,800,000 in parks and recreation projects as approved by voters of Bernalillo County at the 2012 general election.

DESCRIPTION OF THE BONDS

The Bonds are dated as of the date of issuance and will bear interest from that date, payable on February 15 and August 15 in each year commencing August 15, 2013. 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 of and interest on the Bonds is payable through the Depository Trust Company, New York, New York.

PAYMENT AND PRESENTATION OF BONDS FOR PAYMENT

Principal and interest on the Bonds shall be payable in lawful money of the United States of America, without deduction for exchange or collection charges. Principal and interest on the Bonds shall be payable by check or draft mailed to the registered owners thereof (or in such other manner as may be agreed upon by the Paying Agent and the registered owners), as shown on the registration books maintained by the Registrar at the address appearing therein on the 15th day of the calendar month next preceding the interest payment date (the "Record Date"). Any interest which is not timely paid or provided for shall cease to be payable to the owner thereof (or of one or more predecessor Bonds) as of the Record Date, but shall be payable to the owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed by the Paying Agent whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to Bond owners not less than ten days prior thereto. If any Bond, when presented for payment, remains unpaid at maturity or redemption, it shall continue to bear interest at the rate designated in, and applicable to, such Bond from time to time. If any Bond is not presented for payment at maturity or redemption when funds available therefor have been deposited with the Paying Agent, it shall cease bearing interest on and from the date of maturity or redemption.

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 legally available funds belonging to the County.

REGISTRATION

The Deputy County Manager for Finance will initially serve as the Registrar and Paying Agent for the Bonds.

BOOK-ENTRY ONLY SYSTEM

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.

The Depository Trust Company, New York, New York ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities 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 will be issued for each maturity of such issue in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTC is owned by the users of its regulated subsidiaries. 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 (the "Indirect Participants"). DTC has a Standard & Poor's rating: of AA+. 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 Bonds 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 DTC 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 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 MMI 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, distribution 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' account, upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent on the 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 securities 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 or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distribution 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, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County. 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 transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

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 and after August 15, 2023 are subject to redemption at the option of the County on August 15, 2022, or any date thereafter at a price of 100% of the par amount of the bonds plus accrued interest to the call date.

NOTICE OF REDEMPTION

Notice of redemption shall be given by the Registrar by sending a copy of such notice by registered or certified first-class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owners of the Bonds to be redeemed, at the address shown as of the close of business of the Registrar on the fifth day prior to the mailing of notice on the registration books kept by the Registrar. The County shall give the Registrar written instructions to give notice of redemption to the registered owners of the Bonds to be redeemed at least forty-five (45) days prior to such redemption date. Neither the County's failure to give such notice nor the Registrar's failure to give such notice to the registered owners of the Bonds, or any defect therein, shall affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notice of redemption shall specify the amount being redeemed, the date fixed for redemption, that on such redemption date there will become and be due and payable the Bonds to be redeemed at the office of the Paying Agent, the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bonds so called for redemption shall become due and payable on the redemption date so designated and if an amount of money sufficient to redeem the Bonds called for redemption shall on the redemption date be on deposit with the Paying Agent, the Bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bonds so called for redemption with funds deposited with the Paying Agent by the County.

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SELECTED DEBT RATIOS

	<u>2012</u>
2012 Assessed Valuation	14,394,423,187
2012 Actual Valuation ⁽¹⁾	53,217,287,886
County General Obligation Debt Outstanding (including the Series 2013 Bonds)	121,925,000
County Net General Obligation Debt	120,695,256
Estimated Direct & Overlapping G/O Debt	1,092,132,435
 <u>District Net Debt as a Percentage of</u>	
Assessed Valuation	0.84%
Estimated Actual Valuation	0.23%
 <u>Direct & Overlapping Debt as Percentage of</u>	
Assessed Valuation	7.59%
Estimated Actual Valuation	2.05%
 Estimated 2011 Population	 670,968
 County Net Debt Per Capita	 \$179.88
Direct and Overlapping Debt Per Capita	\$1,627.70

(1) Actual valuation is computed by adding the exemptions to the assessed valuation and multiplying the result by three.

NET DEBT

2012 Assessed Valuation	\$14,394,423,187
2012 Actual Valuation ⁽¹⁾	\$53,217,287,886

Total Bonded Debt Outstanding (including the Bonds and excluding the Refunded Bonds)	\$121,925,000
Less Estimated Debt Service Fund Balance on February 8, 2013 ⁽²⁾	<u>1,229,744</u>
NET DEBT	\$120,695,256

Ratio of Estimated Net Debt to 2012 Assessed Valuation:	0.84%
Ratio of Estimated Net Debt to 2012 Actual Valuation:	0.23%
Per Capita Net Bonded Debt:	\$179.88
Estimated 2011 Population:	670,968

1) Actual valuation is computed by adding the exemptions to the assessed valuation and multiplying the result by three.

(2) The debt service cash balance as of February 2013 was \$774,743. The amount properly attributable to principal reduction is 63%.

DEBT AND OTHER OBLIGATIONS
(as of February 1, 2013)

BONDING CAPACITY

Legal Bonding Capacity	\$578,110,431
Less total bonds to be outstanding	<u>(121,925,000)</u>
Capacity in excess of present requirements	<u>\$456,185,431</u>

Source: Bernalillo County Finance Department

GENERAL OBLIGATION BONDS OUTSTANDING – PRIOR TO ISSUANCE OF 2013 BONDS

G.O. Bond	Original	Outstanding
<u>Series</u>	<u>Issue</u>	<u>Principal</u>
1997	\$11,170,000	\$3,975,000
1999	18,676,000	8,670,000
2004	3,029,000	3,029,000
2005	13,940,000	4,705,000
2005A	5,261,000	4,446,000
2006	10,000,000	7,770,000
2007	10,400,000	10,400,000
2007A	8,700,000	8,400,000
2009	10,750,000	7,200,000
2009A	10,750,000	8,250,000
2010	15,105,000	12,750,000
2011	4,200,000	3,650,000
2012	6,535,000	6,480,000
2012A	14,400,000	<u>14,400,000</u>
TOTAL		<u>\$104,125,000</u>

Source: Bernalillo County Finance Department

TOTAL DEBT SERVICE REQUIREMENTS

TYE Year	Current G/O Bonds Requirements			Series 2013 - G/O Bonds				Total G/O Bonds Requirements		
	Principal	Interest	Total	Principal	Coupon	Interest	Total	Principal	Interest	Total
2013	\$4,720,000	\$3,563,938	\$8,283,938	\$1,100,000	3.000%	\$216,283	\$1,316,283	\$5,820,000	\$3,780,221	\$9,600,221
2014	8,020,000	3,807,950	11,827,950	950,000	3.000%	479,250	1,429,250	8,970,000	4,287,200	13,257,200
2015	8,330,000	3,529,125	11,859,125	950,000	3.000%	450,750	1,400,750	9,280,000	3,979,875	13,259,875
2016	8,770,000	3,229,787	11,999,787	100,000	3.000%	422,250	522,250	8,870,000	3,652,037	12,522,037
2017	9,095,000	2,901,187	11,996,187	100,000	3.000%	419,250	519,250	9,195,000	3,320,437	12,515,437
2018	8,536,000	2,537,229	11,073,229	250,000	4.000%	416,250	666,250	8,786,000	2,953,479	11,739,479
2019	10,255,000	2,204,814	12,459,814	250,000	2.000%	406,250	656,250	10,505,000	2,611,064	13,116,064
2020	8,725,000	1,794,151	10,519,151	350,000	2.000%	401,250	751,250	9,075,000	2,195,401	11,270,401
2021	6,734,000	1,484,739	8,218,739	1,500,000	4.000%	394,250	1,894,250	8,234,000	1,878,969	10,112,969
2022	5,695,000	1,211,091	6,906,091	1,500,000	4.000%	334,250	1,834,250	7,195,000	1,545,341	8,740,341
2023	4,225,000	971,693	5,196,693	1,500,000	2.000%	274,250	1,774,250	5,725,000	1,245,943	6,970,943
2024	3,670,000	789,534	4,459,534	1,750,000	2.000%	244,250	1,994,250	5,420,000	1,033,784	6,453,784
2025	3,810,000	629,068	4,439,068	1,800,000	2.125%	209,250	2,009,250	5,610,000	838,318	6,448,318
2026	3,475,000	472,459	3,947,459	1,800,000	3.000%	171,000	1,971,000	5,275,000	643,459	5,918,459
2027	3,600,000	332,123	3,932,123	1,900,000	3.000%	117,000	2,017,000	5,500,000	449,123	5,949,123
2028	1,235,000	201,596	1,436,596	2,000,000	3.000%	60,000	2,060,000	3,235,000	261,596	3,496,596
2029	1,260,000	164,546	1,424,546					1,260,000	164,546	1,424,546
2030	1,295,000	126,746	1,421,746					1,295,000	126,746	1,421,746
2031	1,320,000	86,278	1,406,278					1,320,000	86,278	1,406,278
2032	<u>1,355,000</u>	<u>44,038</u>	<u>1,399,038</u>	-		-	-	<u>1,355,000</u>	<u>44,038</u>	<u>1,399,038</u>
Total	\$104,125,000	\$30,082,089	\$134,207,089	\$17,800,000		\$5,015,783	\$22,815,783	\$121,925,000	\$35,097,872	\$157,022,872

DIRECT AND OVERLAPPING DEBT

	2012 Assessed Valuation	G/O Debt Outstanding	Percent Applicable	Amount
State of New Mexico	\$54,490,961,619	\$235,480,000 ⁽¹⁾	26.4%	\$62,204,789
Bernalillo County	14,394,423,187	104,125,000	100.0%	104,125,000
City of Albuquerque	11,876,389,475	299,645,000 ⁽²⁾	100.0%	299,645,000
Village of Los Ranchos	224,226,863	3,400,000	100.0%	3,400,000
Village of Tijeras	11,401,499	0	100.0%	0
Central NM Community College	16,479,960,867	60,915,000	100.0%	60,915,000
AMAFCA	13,566,792,945	39,600,000	94.3%	37,323,135
Albuquerque MSD #12	14,645,970,276	517,180,000	98.3%	508,297,343
				\$1,075,910,268

Ratio of Direct & Overlapping Debt to 2012 Assessed Valuation: 7.47%
Ratio of Direct & Overlapping Debt to 2012 Estimated Actual
Valuation: 2.02%
Per Capita Net Bonded Debt: \$1,603.52

(1) Does not include the Series 2013 Bonds expected to be sold on March 19, 2013 in the amount of \$140,165,000.

(2) Does not include the Series 2013A, B & C Bonds expected to be sold on April 1, 2013 in the amount of \$81,122,000.

Source: New Mexico Department of Finance & Administration and RBC Capital Markets, LLC.

2010 Population 670,968

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.

Analysis of Assessed Valuation					
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Assessments					
Value of Land	\$6,445,302,716	\$6,615,762,333	\$6,595,031,615	\$5,785,144,034	\$5,803,787,816
Improvements	10,377,636,992	11,192,570,351	10,875,757,543	11,036,157,316	10,970,511,846
Personal Property	461,036,145	464,486,154	437,754,207	417,979,757	417,126,111
Mobile Homes	52,642,851	54,256,960	51,714,831	49,710,924	48,123,614
Livestock	1,291,931	1,236,328	1,140,685	1,049,093	922,156
<i>Assessor's Total Valuation</i>	<u>\$17,337,910,635</u>	<u>\$18,328,312,126</u>	<u>\$17,961,398,881</u>	<u>\$17,290,041,124</u>	<u>\$17,240,471,543</u>
Less Exemptions					
Head of Family	\$186,658,750	\$190,845,153	\$194,066,375	\$196,663,250	\$195,959,863
Veterans	115,617,918	116,991,601	116,650,452	116,254,964	114,374,342
Disabled Veterans Exemption	108,861,335	121,511,715	126,602,573	136,269,529	144,834,096
Other	3,429,757,447	3,497,348,818	3,626,823,313	2,884,496,615	2,889,504,474
<i>Total Exemptions</i>	<u>\$3,840,895,450</u>	<u>\$3,926,697,287</u>	<u>\$4,064,142,713</u>	<u>\$3,333,684,358</u>	<u>\$3,344,672,775</u>
Assessors Net Valuation	\$13,497,015,185	\$14,401,614,839	\$13,897,256,168	\$13,956,356,766	\$13,895,798,768
Central Assessed	<u>479,076,818</u>	<u>421,489,837</u>	<u>487,472,638</u>	<u>496,404,009</u>	<u>498,624,419</u>
Total Assessed Valuation	\$13,976,092,003	\$14,823,104,676	\$14,384,728,806	\$14,452,760,775	\$14,394,423,187
Residential	\$10,050,550,836	\$10,533,197,821	\$10,315,485,048	\$10,409,867,174	\$10,513,182,171
Non-Residential	<u>3,925,541,167</u>	<u>4,289,906,855</u>	<u>4,069,243,758</u>	<u>4,042,893,601</u>	<u>3,881,241,016</u>
Total	\$13,976,092,003	\$14,823,104,676	\$14,384,728,806	\$14,452,760,775	\$14,394,423,187

Source: New Mexico Department of Finance & Administration.

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 2010, property values were adjusted to their 2008 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 does 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 ("New Status"). Two Second Judicial District Court decisions held that it is unconstitutional to not apply the limit to the New Status properties. The County Assessor determined to roll back those valuations. These State Court of Appeals reversed the lower Court. The cases are now pending before the New Mexico Supreme Court.

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.

HISTORY OF ASSESSED VALUATION

<u>Tax Year</u>	<u>Bernalillo County</u>
2012	\$14,394,423,187
2011	14,452,760,775
2010	14,384,728,806
2009	14,823,104,676
2008	13,976,092,003
2007	13,191,112,431
2006	11,868,673,831
2005	11,260,432,703
2004	10,102,636,851
2003	9,660,815,811

Source: NM Department of Finance and Administration

MAJOR TAXPAYERS

<u>Taxpayer</u>	<u>Industry</u>	TY 2012 Taxable Assessed Value	% of Taxable Assessed Value
Public Service Company of New Mexico Electric	Utility	\$154,384,030	1.021%
Century Link	Telecommunications	75,976,808	0.669%
New Mexico Gas Company	Utility	42,183,531	0.306%
Comcast of NM Inc.	Entertainment/Cable	34,501,285	0.253%
Southwest Airlines	Airline	19,135,077	0.146%
Verizon Wireless	Communications	25,823,942	0.138%
T-Mobile	Communications	11,187,141	0.128%
Simon Property Group Ltd (Cottonwood Mall)	Real Estate	15,962,333	0.110%
ABQ Uptown LLC	Real Estate	10,097,800	0.101%
AHS ABQ Regional Medical Center	Health Care	12,051,009	0.083%

The top ten property taxpayers represent a total of \$401,302,956 in taxable assessed valuation or 2.78% of the taxable assessed valuation of the County.

Source: Bernalillo County Assessor's Office.

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 are within the 20-mill limit.

RESIDENTIAL AND NON-RESIDENTIAL PROPERTY

Property in New Mexico is sub-classified as either residential or non-residential 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 shown in the table on the following page are shown for residential property.

TAX RATES IN BERNALILLO COUNTY

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
State of New Mexico					
Debt service	1.362	1.530	1.150	1.250	1.291
Bernalillo County					
Operating	7.864	7.769	7.505	7.430	7.489
Debt service	0.897	0.555	0.880	0.880	0.888
Open space	0.100	0.100	0.100	0.100	0.100
Judgment	0.013	0.014	0.015	0.015	0.016
Total direct rate	8.874	8.438	8.500	8.425	8.493
City of Albuquerque					
Operating	6.544	6.433	6.203	4.134	3.136
Debt Service	4.976	4.976	4.976	6.976	7.976
Albuquerque Public Schools Operating					
Operating	0.319	0.315	0.304	0.303	0.304
Debt Service	4.020	4.317	4.316	4.304	4.308
Capital Improvement	2.000	2.000	2.000	1.999	2.000
Building	3.893	3.988	3.985	3.944	3.947
Hospitals (UNM)	6.400	6.400	6.400	6.429	6.428
Village of Tijeras					
Operating	1.310	1.316	1.271	1.283	1.253
Torrance Schools					
Operating	0.377	0.370	0.381	0.378	0.364
Debt Service	8.836	8.841	8.964	8.217	7.159
Capital Improvement	2.000	1.954	2.000	2.000	2.000
Rio Rancho					
Operating	4.438	3.447	3.084	2.624	2.484
Debt Service	1.645	2.060	2.067	2.060	2.060
Rio Grande Conservancy District	4.231	4.244	4.238	4.246	4.250
Edgewood Soil & Water Conservancy District	1.000	1.000	1.000	0.939	0.935
Central NM Community College					
Operating	2.770	2.717	2.632	2.596	2.584
Debt Service	0.550	0.550	0.550	0.550	0.550
Albuquerque Flood Control	0.926	0.926	0.927	0.923	0.919

Source: New Mexico Department of Finance and Administration.

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.

TAX COLLECTION HISTORY - BERNALILLO COUNTY

<u>Tax Year</u>	<u>Net Taxes Charged to Treasurer</u>	<u>Percentage Collected</u>
As of December 30, 2012*		
2012	\$602,591,208	54.39%*
2011	592,579,487	97.69%
2010	584,432,292	98.45%
2009	593,422,507	98.37%
2008	564,413,214	99.54%
2007	532,581,069	99.79%

*Second ½ of 2012 taxes are due
in May, 2013

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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 670,968 residents, (2011 estimated) Bernalillo County ranks 92th in population of the nation's 3,143 counties. The County comprises nearly 32% of New Mexico's population total and 75% of the four county Albuquerque MSA, and is home to the University of New Mexico, Kirtland Air Force Base and Sandia National Laboratories

Bernalillo County, with the City of Albuquerque making up 82 percent of its population, serves as a hub for commerce and industry in the Southwest. It accounts for nearly half of all economic activity in New Mexico. In the 2012 Forbes List of "Best Places for Business and Careers," Albuquerque placed 84th out of the 200 ranked metro areas in the country and was ranked 73rd in the "Cost of Doing Business" category.

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, 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.

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. Brief resumes of the County Manager, key financial staff members and the five County Commissioners are as follows:

BERNALILLO COUNTY COMMISSIONERS

Maggie Hart Stebbins, Chair, Commissioner, District 3. Term expires November, 2016; first elected November 2010 to replace a vacancy in the seat. Ms. Hart Stebbins has a Bachelor of Arts degree from Harvard University where she was an All-American athlete and recipient of the Ratcliffe Alumni Association Award for athletic excellence and leadership. She came to the Commission with extensive experience in public service including work for the U.S. Congress, N.M. House of Representatives and the Middle Rio Grande Council of Governments where she focused on air quality, water conservation and regional transportation. She has served on numerous boards and commissions for governmental entities and not for profit organizations.

Debbie O'Malley, Vice Chair, Commissioner, District 1. Term expires December 2014; elected in November 2012 to fill the term of former commissioner Michelle Lujan Grisham who was elected to the U.S. House of Representatives in November 2012. An Albuquerque native, Ms. O'Malley brings more than 20 years of strong, effective public service to the County joining the County Commission after serving for nine years on the Albuquerque City Council, serving as President and Vice President and is currently Chair of the Middle Rio Grande Council of Governments.

Art De La Cruz, Commissioner, District 2. Term expires December 2016; first elected November 2008; a native and life-long resident of Bernalillo County's South Valley, Mr. De La Cruz has worked in County and City government for over 35 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. Following his retirement, he taught business and management courses at Central New Mexico Community College and served as Deputy Director of the City of Albuquerque Solid Waste Department focusing on sustainability efforts. He graduated from the University of New Mexico and later received a Master of Arts in Management from the University of Phoenix.

Lonnie C. Talbert, Commissioner, District 4. Term expires December 2016; first elected November 2012. Mr. Talbert is a magna cum laude graduate of Jacksonville University in Jacksonville, Florida and is a vice president, consumer market, for Bank of America. His past community involvement has included service as chairman of the Greater Albuquerque Chamber of Commerce, chairman of the March of Dimes, chair of the United Way of Central New Mexico and is a member of the New Mexico Amigos.

Wayne A. Johnson, Commissioner, District 5. Term expires December 2014; first elected 2010; A native New Mexican and graduate of the University of New Mexico, Mr. Johnson is president of Vista Media, a media business that produces a variety of media, including commercials, documentaries and web content. Mr. Johnson has been active in community organizations including the District 7 Coalition of Neighborhoods, serving as president and vice-president and the Bernalillo County Fire and Rescue Citizens Advisory Committee.

COUNTY MANAGER

Tom Zdunek, County Manager.

Mr. Zdunek was appointed County Manager on September 6, 2011. Mr. Zdunek joined the County in 2002 as director of the Facility and Fleet Department and was promoted to Deputy County Manager of the Public Works Division in 2008. Prior to joining the County, Mr. Zdunek worked in the private sector for Mountain Bell, which later became Qwest Communications, for 32 years.

DEPUTY COUNTY MANAGER

Teresa Byrd, Deputy County Manager of Finance.

Ms. Byrd was appointed Interim Deputy County Manager for Finance in April, 2011. Ms. Byrd joined the County in 1989. Prior to being promoted to Deputy County Manager of Finance, Ms. Byrd was the Director of Budget and Finance from June 2004 to April 2011. Ms. Byrd was the Financial Projects Coordinator from 2002-2004 and the Accounting Officer and Financial Administrator Budgetary Control from 1998-2001. She graduated from the College of Santa Fe and is in the process of receiving a Master of Business Administration from New Mexico Highlands University.

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.

Actuarial information, as of June 30, 2012, is shown on the following page:

**State of New Mexico Public Employees Retirement Fund
Summary Information as of June 30, 2012**

Membership¹ 85,310
Actuarial Information
Actuarial Accrued Liability² \$17,788,043,847
Actuarial Value of Assets \$11,612,047,019
Unfunded Actuarial Accrued Liability \$6,175,991,825

Source: PERA Annual Actuarial Valuation

¹ Includes active and retired members from all divisions.

² Includes accrued liability of both the retired and active members.

Fiscal year 2012 was a challenging year for PERA. The PERA Board and PERA staff traveled around the state of New Mexico to obtain public input into proposed changes to the PERA pension benefits to improve long term funding and reduce Unfunded Accrued Liability (UAL). The Board's proposed benefit changes will be recommended to the 2013 Legislature which convenes in January 2013 for 60 days. The market environment was still volatile all year, which resulted in the overall earnings for the year to be a negative 0.38%. See the PERA CAFR for June 30, 2012 for more detailed information.

Funding Policy. Plan members are required to contribute 9.15-16.65% of their gross salary. The County is required to contribute 9.15-21.25% depending upon the division of the gross covered salary. The contribution requirements of plan members and the County are established state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the years ending June 30, 2012, 2011, and 2010 were \$14,013,271, 12,882,327 and \$12,347,340, respectively, which equal the amount of the required contributions for each year. In accordance with Chapter 10, Article 11, Section 5 NMSA 1978, the County has elected to make contributions of seventy-five percent of its employees' member contributions under the General-management, blue collar, white collar, sheriff, fire and detention plans. The following table outlines the divisions the County participates in and the contributions for the year ending June 30, 2012.

<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%	\$6,917,234	9.15%	\$4,813,13
General-other	9.15%	\$29,421	9.15%	\$29,422
Sheriff	16.30%	\$2,459,672	18.50%	\$2,791,652
Fire	16.20%	\$1,674,841	21.25%	\$2,196,936
Detention	16.65%	\$3,338,299	16.65%	\$3,338,299
Retired employees			9.15%-21.25%	\$843,824

Source: Bernalillo County CAFR 6/30/2012

POST-EMPLOYMENT BENEFITS-RETIREE HEALTH CARE PLAN

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

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan.

That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member.

Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee is required to contribute .917% of their salary. In the fiscal years ending June 30, June 2013 the contributions rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contributions will be:

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
FY 2013	2.0%	1.0%

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4, and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978] during the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 2.292% of each participating employee's annual salary, and each participating employee was required to contribute 1.146% of their salary. In the fiscal years ending June 30, 2013 the contributions rates for both employees and employers will rise as follows:

Fiscal Year	Employer Contribution Rate	Employee Contribution Rate
FY 2013	2.500%	1.250%

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

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

The Bernalillo County's contributions to the RHCA for the years ended June 30, 2012, 2011 and 2010 were \$2,072,085, \$1,723,830 and \$1,184,196, respectively, which equal the required contributions for each year.

COUNTY INSURANCE COVERAGE

The County maintains insurance on its assets and operations as is customary and adequate, in its opinion, for similar entities insuring similar operations and assets. The County carries general liability insurance, auto damage and workers compensation with the New Mexico County Insurance Authority for its errors and omissions coverage, emergency medical, and law enforcement liability coverage. There can be no assurance, however, that the County will continue to maintain the present level of coverage or that the insurance maintained will be sufficient.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES OF THE COUNTY

2012 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, 2012. 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, 2012" 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

The County reports the following major governmental funds:

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

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

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

Additionally, the government reports the following fund types:

Internal service funds account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service fund is the Risk Management fund, which is used to account for its risk management activities. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989,

generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government wide financial statements. Exceptions to this general rule are charges between the government's risk management and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and/or delivering goods in connection with proprietary fund's principal ongoing operations. Approximately 89% of the operating revenues of the County's five proprietary funds consist of user and administrative fees.

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

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

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

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

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

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for Solid Waste, Bernalillo County Housing Authority, Seybold Village Handicapped Project, Regional Juvenile Detention Center, and El Centro Familiar. An *Internal service fund* is used to account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service fund is the Risk Management fund, which is used to account for its risk management activities. Because the services provided by the Risk Management fund predominantly benefit governmental rather than business-type functions, this fund is included within *governmental activities* in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 39-41 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on page 42 of this report.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Fiduciary fund financial statements are reported using the accrual basis of accounting and have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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STATEMENT OF NET ASSETS
TOTAL PRIMARY GOVERNMENT
Fiscal year ending June 30

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
ASSETS:					
Cash and investments	304,489,680	309,894,317	348,113,455	377,297,389	311,974,785
Accounts receivable, net	40,633,452	42,403,366	47,803,069	43,243,986	43,784,661
Accrued interest receivable	1,588,648	2,811,270	2,133,539	2,129,779	1,776,313
Note receivable	185,959	201,381	211,529	221,391	242,837
Due from grantor	4,410,191	5,267,213	12,551,932	11,891,409	15,577,130
Inventory	846,888	733,269	620,263	630,455	741,419
Held for sale	135,400	373,000	228,000	0	0
Prepaid assets	2,052,385	1,931,757	1,716,060	1,625,382	1,619,235
Deferred charges	1,089,673	1,000,210	1,152,897	1,227,009	1,126,228
Cash-restricted	12,806,949	11,747,530	11,747,530	16,681,279	16,681,279
Investment in joint venture	633,000	633,000	633,000	633,000	633,000
Land	136,461,953	135,436,573	134,810,311	128,656,643	126,801,146
Art	2,534,675	2,434,675	2,425,940	2,180,787	2,074,462
Construction in progress	61,424,198	61,395,074	46,399,137	24,980,977	63,704,927
Building	183,031,712	178,695,276	183,095,510	190,609,177	173,875,993
Land improvements	8,014,911	4,779,432	815,110	606,555	0
Machinery and equipment	19,884,515	23,380,956	26,176,556	26,383,367	12,717,095
Infrastructure	162,945,084	168,053,907	171,954,336	179,640,069	161,043,915
Leasehold improvements	1,887,046	2,015,582	2,144,118	2,272,654	2,401,189
Total assets	<u>945,056,319</u>	<u>953,187,788</u>	<u>994,732,292</u>	<u>1,010,911,308</u>	<u>936,775,614</u>
LIABILITIES:					
Accounts payable	23,988,422	24,983,251	25,176,170	25,511,218	16,869,138
Interest payable	3,005,823	3,291,899	3,856,093	4,376,107	4,171,563
Retainage payable	0	0	0	722,341	1,656,893
Tax anticipation note payable	0	20,000,000	0	55,000,000	55,000,000
Accrued payroll	6,805,962	5,740,213	5,096,553	4,592,644	3,824,918
Unearned revenue	8,406,419	12,295,315	7,724,613	7,395,930	9,832,963
Due to grantor	135,400	377,338	228,000	0	679,500
Deposits held in trust for others	12,384	13,183	16,773	19,462	34,951
Non-current liabilities due within one year	17,047,899	20,873,824	64,081,697	25,924,882	26,312,827
Non-current liabilities due in more than one year	269,067,845	263,635,639	281,758,963	312,898,731	264,247,846
Total liabilities	<u>328,470,154</u>	<u>351,210,662</u>	<u>387,938,862</u>	<u>436,441,315</u>	<u>382,630,599</u>
NET ASSETS:					
Invested in capital assets, net of related debt	360,462,408	347,909,160	355,609,898	358,917,738	311,111,090
Restricted for:					
Public safety	1,312,612	6,758,177	7,643,172	4,972,195	4,937,404
Culture and recreation	0	5,647	5,647	3,899	4,285
Health and welfare	22,668,006	23,296,906	21,328,903	21,844,209	16,595,886
Debt service	6,299,769	5,395,015	7,178,595	4,389,316	2,679,485
Capital projects	26,812,547	22,870,215	27,172,905	21,026,344	50,218,147
General government	13,506,023	11,876,018	10,947,073	9,446,888	8,153,126
Reserve requirements	69,769,876	67,669,164	65,240,072	66,297,457	64,204,173
Unrestricted	115,754,924	116,196,824	111,667,165	87,571,947	96,241,419
Total net assets	<u>616,586,165</u>	<u>601,977,126</u>	<u>606,793,430</u>	<u>574,469,993</u>	<u>554,145,015</u>

Source: Bernalillo County. The notes to the financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES
TOTAL PRIMARY GOVERNMENT
Fiscal year ending June 30

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Governmental activities:					
General government	(46,858,647)	(56,345,038)	(36,970,205)	(29,645,669)	(8,850,613)
Public works	(31,521,347)	(31,705,573)	(24,159,067)	(29,155,476)	(24,635,899)
Public safety	(132,473,711)	(121,104,101)	(142,291,621)	(145,446,979)	(126,115,165)
Culture and recreation	(10,952,135)	(8,836,222)	(2,723,380)	(7,718,382)	(5,769,336)
Health and welfare	(31,873,607)	(28,633,759)	(22,107,331)	(15,819,786)	(10,686,098)
Interest on long-term debt	(10,989,496)	(12,420,667)	(14,530,276)	(15,591,011)	(15,585,987)
Total government activities	<u>(264,668,943)</u>	<u>(259,045,360)</u>	<u>(242,781,880)</u>	<u>(243,377,303)</u>	<u>(191,643,098)</u>
Business-type activities:					
Solid waste	85,797	201,896	(23,167)	(543,652)	(371,512)
Housing Authority	(50,377)	50,895	(339,854)	(594,937)	195,453
Seybold Village Handicapped Project	(50,084)	(299,851)	(198,681)	(202,346)	(98,236)
Regional Juvenile Detention Center	157,331	(17,336)	(22,663)	98,668	(64,695)
El Centro Familiar	(23,576)	(95,979)	(94,247)	(139,088)	(102,022)
Total business-type activities	<u>119,091</u>	<u>(160,375)</u>	<u>(678,612)</u>	<u>(1,381,355)</u>	<u>(441,012)</u>
Total primary government	<u>(264,549,852)</u>	<u>(259,205,735)</u>	<u>(243,460,492)</u>	<u>(244,758,658)</u>	<u>(192,084,110)</u>
General revenues:					
Property taxes	129,585,691	122,275,071	127,201,067	120,069,963	113,789,778
Gross receipts taxes	117,086,938	113,354,187	112,555,113	114,116,141	120,264,324
Motor vehicle taxes	3,778,892	3,694,000	3,788,238	3,582,607	4,301,323
Cigarette taxes	0	0	5,230	6,758	6,077
Gas taxes	1,639,775	1,719,921	1,808,628	2,037,969	1,572,980
Investment income	19,410,413	2,250,563	15,374,385	10,910,230	16,130,123
Gain on sale of capital assets	0	0	53,072	330,094	0
Miscellaneous	7,490,016	11,089,840	14,989,850	14,029,874	9,909,528
Transfers	0	0	0	0	0
Capital contributions	167,166	5,849	8,346	0	0
Total general revenue and transfers	<u>279,158,891</u>	<u>254,389,431</u>	<u>275,783,929</u>	<u>265,083,636</u>	<u>265,974,133</u>
Change in net assets	<u>14,609,039</u>	<u>(4,816,304)</u>	<u>32,323,437</u>	<u>20,324,978</u>	<u>73,890,023</u>
Net assets - beginning	<u>601,977,126</u>	<u>606,793,430</u>	<u>574,469,993</u>	<u>554,145,015</u>	<u>480,254,992</u>
Net assets - ending	<u>616,586,165</u>	<u>601,977,126</u>	<u>606,793,430</u>	<u>574,469,993</u>	<u>554,145,015</u>

Source: Bernalillo County. The notes to the financial statements are an integral part of this statement.

BALANCE SHEET
GOVERNMENTAL FUNDS - GENERAL FUND
Fiscal year ending June 30

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
ASSETS					
Cash and investments	\$ 204,785,213	\$ 184,354,233	\$ 174,801,536	\$ 190,528,743	\$ 176,571,851
Accounts receivable, net	29,415,373	30,574,766	33,362,204	30,096,159	32,772,276
Accrued interest receivable	1,296,908	2,524,617	1,574,202	1,619,750	1,260,869
Note receivable	185,959	201,381	211,529	221,391	242,837
Due from other funds	-	10,629	9,270,928	8,307,008	7,290,202
Inventory	828,050	710,067	602,532	600,805	667,793
Prepaid assets	-	-	39,245	-	-
Advances to other funds	1,497,000	1,497,000	1,497,000	1,497,000	1,497,000
Cash - restricted	1,059,419	-	-	-	-
Total assets	<u>\$ 239,067,922</u>	<u>\$ 219,872,693</u>	<u>\$ 221,359,176</u>	<u>\$ 232,870,856</u>	<u>\$ 220,302,828</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 13,929,635	\$ 14,947,028	\$ 9,817,741	\$ 12,032,299	\$ 4,844,058
Retainage payable	-	-	-	16,950	570,101
TRAN payable	-	-	-	30,000,000	30,000,000
Accrued payroll	6,401,802	5,395,809	4,730,296	4,309,606	3,573,322
Deferred revenue	11,084,882	12,055,525	12,321,384	10,113,681	9,109,363
Due to other funds	592,379	544,763	371,345	740,165	319,173
Total liabilities	<u>\$ 32,008,698</u>	<u>\$ 32,943,125</u>	<u>\$ 27,240,766</u>	<u>\$ 57,212,701</u>	<u>\$ 48,416,017</u>
Investment in general fixed assets	-	-	-	-	-
Fund balances:					
Nonspendable	3,570,428	2,408,448	-	-	-
Reserved for:					
Notes receivable	-	-	211,529	221,391	242,837
Advances to other funds	-	-	1,497,000	1,497,000	1,497,000
Inventory	-	-	602,532	600,805	667,793
Prepaid items	-	-	39,245	-	-
Encumbrances	-	-	8,952,697	7,835,970	9,537,257
Reserve requirement	-	-	65,240,072	66,297,457	64,204,173
Unreserved, designated for:					
Subsequent years' expenditures	-	-	45,632,530	42,978,698	32,337,943
Bond defeasance/enhancement	-	-	9,000,000	9,000,000	10,000,000
Capital projects	-	-	14,532,977	8,827,809	14,587,455
Economic development	-	-	3,000,000	-	-
Grant funds	-	-	7,409,828	7,226,833	3,412,545
Building funds	-	-	8,000,000	8,827,810	15,000,000
Infrastructure replacement	-	-	13,000,000	10,000,000	10,000,000
Stabilization	-	-	15,000,000	12,344,382	10,399,808
Debt service cash flow	-	-	2,000,000	-	-
Restricted	71,053,870	68,801,270	-	-	-
Committed	56,961,090	1,189,430	-	-	-
Assigned	38,909,238	80,444,554	-	-	-
Unassigned	36,564,598	34,085,866	-	-	-
Total fund balances	<u>\$ 207,059,224</u>	<u>\$ 186,929,568</u>	<u>\$ 194,118,410</u>	<u>\$ 175,658,155</u>	<u>\$ 171,886,811</u>
Total liabilities and fund balances	<u>\$ 239,067,922</u>	<u>\$ 219,872,693</u>	<u>\$ 221,359,176</u>	<u>\$ 232,870,856</u>	<u>\$ 220,302,828</u>

Source: Bernalillo County. The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - GENERAL FUND
Fiscal year ending June 30

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues					
Taxes:					
Property	\$ 116,233,631	\$ 113,048,059	\$ 110,799,035	\$ 104,746,354	\$ 100,447,431
Sales	92,969,210	89,669,675	89,096,909	91,746,733	95,787,912
Motor vehicle	3,778,892	3,694,000	3,788,238	3,582,607	4,301,323
Gas & Cigarette	1,639,775	1,719,921	1,812,110	2,042,469	1,577,004
Intergovernmental:	512,554	-	-	36,244	153,261
Licenses and permits	2,654,537	2,899,215	2,362,344	3,189,293	3,479,107
Fees for services	6,161,588	5,517,427	5,519,276	6,015,517	19,176,637
Investment income	18,195,206	926,989	12,382,262	8,194,441	11,519,826
Miscellaneous	5,337,824	6,410,656	3,415,558	6,878,624	3,681,070
Total revenues	<u>\$ 247,483,217</u>	<u>\$ 223,885,942</u>	<u>\$ 229,175,732</u>	<u>\$ 226,432,282</u>	<u>\$ 240,123,571</u>
Expenditures					
Current:					
General government	\$ 47,300,336	\$ 57,328,331	\$ 48,814,827	\$ 49,657,022	\$ 37,808,488
Public works	26,848,810	26,297,229	23,091,514	22,770,870	20,652,347
Public safety	122,756,787	111,288,851	114,191,795	114,225,027	109,756,436
Health and welfare	8,588,261	9,025,245	3,157,282	2,516,278	1,814,881
Culture and recreation	9,360,398	9,372,783	8,810,416	9,209,442	9,894,287
Capital outlay	6,935,045	5,884,536	5,998,922	8,505,175	17,702,058
Intergovernmental - capital outlay	589,508	190,613	450,442	28,805	564,000
Total expenditures	<u>\$ 222,379,145</u>	<u>\$ 219,387,588</u>	<u>\$ 204,515,198</u>	<u>\$ 206,912,619</u>	<u>\$ 198,192,497</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 25,104,072</u>	<u>\$ 4,498,354</u>	<u>\$ 24,660,534</u>	<u>\$ 19,519,663</u>	<u>\$ 41,931,074</u>
Other financing sources (uses)					
Transfers in	\$ -	\$ 15,085	\$ 2,207,170	\$ 2,083,245	\$ -
Transfers out	(10,621,105)	(12,969,742)	(8,479,541)	(18,051,785)	(16,959,076)
Sale of capital assets	274,534	157,720	72,092	220,221	158,435
Total other financing sources (uses)	<u>\$ (10,346,571)</u>	<u>\$ (12,796,937)</u>	<u>\$ (6,200,279)</u>	<u>\$ (15,748,319)</u>	<u>\$ (16,800,641)</u>
Net changes in fund balances	<u>\$ 14,757,501</u>	<u>\$ (8,298,583)</u>	<u>\$ 18,460,255</u>	<u>\$ 3,771,344</u>	<u>\$ 25,130,433</u>
Fund balance - beginning	<u>\$ 186,929,568</u>	<u>\$ 194,118,410</u>	<u>\$ 175,658,155</u>	<u>\$ 171,886,811</u>	<u>\$ 146,704,783</u>
Restatement - changes in fund balance	5,372,155	1,109,741	-	-	51,595
Fund balance - beginning as restated	<u>\$ 192,301,723</u>	<u>\$ 195,228,151</u>	<u>\$ 175,658,155</u>	<u>\$ 171,886,811</u>	<u>\$ 146,756,378</u>
Fund balance - ending	<u>\$ 207,059,224</u>	<u>\$ 186,929,568</u>	<u>\$ 194,118,410</u>	<u>\$ 175,658,155</u>	<u>\$ 171,886,811</u>

Source: Bernalillo County. The notes to the financial statements are an integral part of this statement.

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.

THE FINANCIAL ADVISOR

RBC Capital Markets, LLC (“RBC CM”) is employed as Financial Advisor to the County in connection with the issuance of the Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

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 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”). (See “**APPENDIX B**” hereto.)

The County did not timely file its financial information for the 2007, 2008, and 2009 fiscal years. The County has subsequently filed the 2007, 2008 and 2009 annual information in July 2012. Since that time, the County has filed its continuing disclosure requirements in a timely manner. In addition, the County has implemented procedures intended to ensure future compliance with its continuing disclosure obligations. 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; however, the interest on the Bonds will be taken into account in determining the adjusted current earnings for the purpose of computing the alternative minimum tax on certain corporations (as defined for federal income tax purposes).

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.

[Remainder of page intentionally left blank]

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 "Aaa" to the Bonds.

Fitch Rating has assigned a municipal bond rating of "AAA" 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.

[Remainder of page intentionally left blank]

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

/s/ Maggie Hart Stebbins
Chair, Board of County Commissioners

APPENDIX A

FORM OF LEGAL OPINION

APPENDIX A
FORM OF LEGAL OPINION

March __, 2013

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

\$17,800,000
BERNALILLO COUNTY, NEW MEXICO
GENERAL OBLIGATION BONDS
SERIES 2013

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; however, the interest on the Bonds will be taken into account in determining the adjusted current earnings for the purpose of computing the alternative minimum tax on certain corporations (as defined for federal income tax purposes). 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

\$17,800,000

BERNALILLO COUNTY, NEW MEXICO

GENERAL OBLIGATION BONDS

SERIES 2013

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 a resolution adopted by the Board of County Commissioners on January 22, 2013 (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. 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 2013 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.
 - 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 Event occurs while any Bonds are Outstanding, the Issuer shall provide a Event Notice in a timely manner to EMMA. Each 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.

e. The County or its designated agent, will provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, to EMMA, notice of any: (i) failure of the County to timely provide the Annual Financial Information as specified in Sections 3(a) and 3(b); (ii) changes in its fiscal year-end; and (iii) amendment of this Undertaking.

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. **“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;
- (xi) Rating changes;
- (xii) Failure to provide event filing information as required;
- (xiii) Tender offers, secondary market purchases;

APPENDIX C

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
2010	662,564	887,077	2,059,179
2011 (July 1 est.)	670,968	898,642	2,082,224

Source: U.S. Department of Commerce, Bureau of the Census.

Percent of Population

<u>Age</u>	<u>Bernalillo County</u>	<u>New Mexico</u>	<u>United States</u>
0 - 17	24.0%	25.0%	23.7%
18 - 24	9.8%	9.9%	10.0%
25 - 34	14.5%	13.0%	13.1%
35 - 44	12.7%	11.9%	12.9%
45 - 54	13.5%	13.3%	14.0%
55 & Older	25.6%	27.0%	26.3%

Source: The Nielsen Company, January 2013.

[Remainder of page intentionally left blank]

PER CAPITA PERSONAL INCOME

<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>
2011	\$36,233	\$34,133	\$41,560	106.15%	87.17%
2010	35,378	\$33,378	39,791	105.99%	88.91%
2009	35,273	32,200	38,637	109.48%	91.29%
2008	36,664	33,490	40,947	109.48%	89.54%
2007	35,611	31,675	39,506	112.43%	90.14%

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

NON-AGRICULTURAL EMPLOYMENT ⁽¹⁾

<u>Albuquerque MSA ⁽²⁾</u>	<u>2011^P</u>	<u>2010^F</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Employment	371.7	371.6	378.0	394.9	395.8
Total Private	288.6	288.3	295.4	313.6	316.3
Goods Producing	38.3	38.9	42.1	50.4	54.2
Services Providing	250.3	249.4	253.3	263.2	262.2
Mining, Logging & Construction	20.5	21.3	23.9	28.3	30.5
Manufacturing	17.8	17.6	18.2	22.0	23.7
Wholesale Trade	11.5	11.7	12.1	13.1	13.3
Retail Trade	40.8	40.8	41.7	44.5	44.6
Transp., Warehousing & Utilities	9.5	9.5	9.7	10.7	10.9
Information	8.6	8.7	9.0	9.4	9.2
Financial Activities	17.3	17.8	18.2	18.7	19.2
Professional & Business Services	56.9	57.4	60.0	64.3	64.3
Educational & Health Services	56.9	54.7	53.6	51.2	49.0
Leisure & Hospitality	37.3	37.1	37.3	38.9	39.4
Other Services	11.7	11.8	11.9	12.5	12.2
Government	83.0	83.3	82.6	81.3	79.5

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.

2 Bernalillo, Sandoval, Tarrant and Valencia counties.

CIVILIAN LABOR FORCE

<i>Bernalillo County</i>	<u>Nov</u> <u>2012</u>	<u>Dec</u> <u>2011</u>	<u>Dec</u> <u>2010</u>	<u>Dec</u> <u>2009</u>	<u>Dec</u> <u>2008</u>
Labor Force	305,831	304,563	314,409	310,749	316,025
Employment	287,251	284,118	288,419	288,982	302,221
Unemployment	18,580	20,447	25,990	21,767	13,904
% Unemployment – Bern. County	6.1%	6.7%	8.5%	7.0%	4.4%
% Unemployment – New Mexico	6.2%	6.6%	8.4%	7.0%	4.5%
% Unemployment –United States	7.7%	8.3%	9.6%	9.3%	5.8%

MAJOR AREA EMPLOYERS

<u>Organization</u>	<u>Employees</u>	<u>Description</u>
Kirtland Air Force Base (Civilian) ⁽¹⁾	16,200	Air Force Material Command
University of New Mexico	15,890	Educational Institution
Albuquerque Public Schools	14,000	Public School District
Sandia National Labs	7,940	Science-Based Technologies at Support Nat'l Security
Presbyterian Healthcare Services	7,369	Hospital/Medical Services
UNM Hospital	5,950	Government
City of Albuquerque	5,940	Government
State of New Mexico	5,910	Hospital/Medical Services
Lovelace Healthcare	3,700	Hospital/Medical Services
Kirtland Air Force Base (Military)	3,389	Semiconductor Manufacturer

- (1) Kirtland Air Force Base civilian employment numbers include all Department of Energy employees, including contractors on and off the base, including Sandia National Labs. Sandia National Labs employment is also shown separately since Sandia and Kirtland publish data in different cycles.

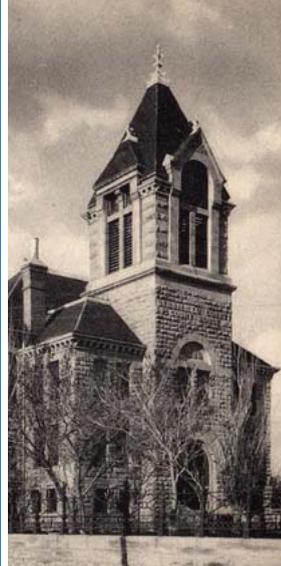
Sources: *Bernalillo County CAFR June 30, 2012, New Mexico Department of Workforce Solutions, Albuquerque Economic Development*

APPENDIX D

**STATE OF NEW MEXICO
COUNTY OF BERNALILLO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2012**

Comprehensive Annual Financial Report

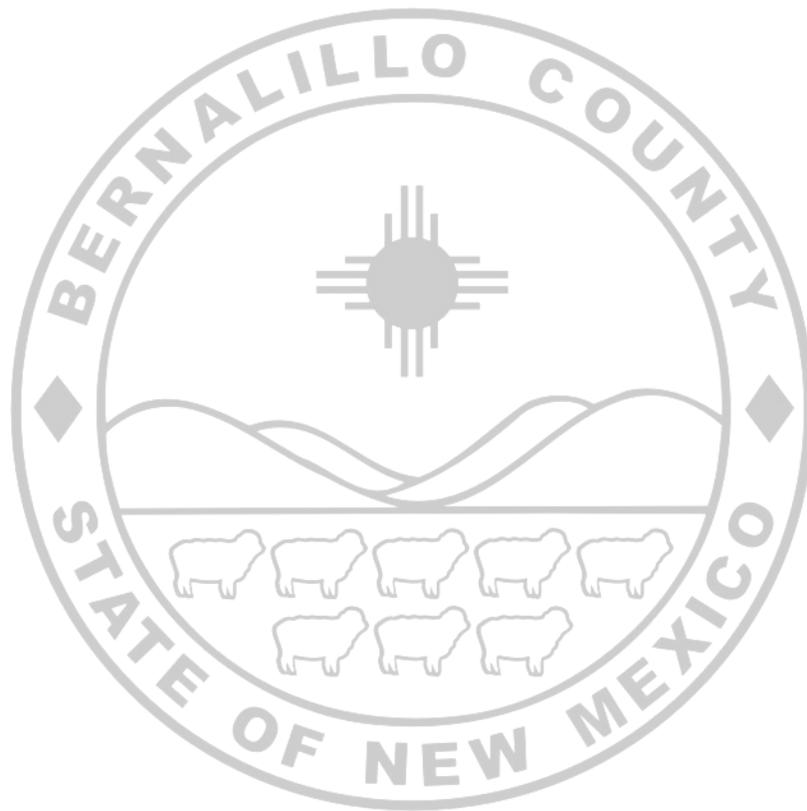
Fiscal Year Ended June 30, 2012



2012



Bernalillo County
New Mexico



**STATE OF NEW MEXICO
COUNTY OF BERNALILLO**

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT
Fiscal Year Ended June 30, 2012**

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

**Prepared by:
The Accounting Department**



COUNTY OF BERNALILLO, NEW MEXICO

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COUNTY OF BERNALILLO, NEW MEXICO

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COUNTY OF BERNALILLO, NEW MEXICO

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County of Bernalillo

State of New Mexico

Accounting Department
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Albuquerque, New Mexico 87102
Office: (505) 468-1694 Fax: (505) 468-1411
www.bernco.gov/accounting/

November 13, 2012

COMMISSIONERS

Art De La Cruz, Chair
District 2

Maggie Hart Stebbins, Vice Chair
District 3

Simon A. Kubiak, Member
District 1

Michael C. Wiener, Member
District 4

Wayne A. Johnson, Member
District 5

Board of County Commissioners

Art De La Cruz, Chair
Maggie Hart Stebbins, Vice Chair
Michael C. Wiener, Member
Wayne A. Johnson, Member
Simon A. Kubiak, Member

One Civic Plaza, 10th Floor
Albuquerque, New Mexico 87102

COUNTY MANAGER

Tom Zdunek

Dear Commissioners:

Management hereby submits the Comprehensive Annual Financial Report (CAFR) of the County of Bernalillo (the County), New Mexico, for fiscal year ending June 30, 2012.

ELECTED OFFICIALS

Karen L. Montoya
Assessor

Maggie Toulouse Oliver
Clerk

Willow Misty Parks
Probate Judge

Dan Houston
Sheriff

Patrick Padilla
Treasurer

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

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

Moss Adams LLP, Certified Public Accountants, has issued the highest possible opinion, an unqualified opinion, on the County's comprehensive annual financial report for the fiscal year ending June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the County

Bernalillo County, which encompasses the entire City of Albuquerque, is located in the central region of the state and is the economic and population hub of New Mexico. With an estimated population of 670,968 in 2011, Bernalillo County is the 92nd most populous county of the nation's 3,143 counties. It comprises 32 percent of New Mexico's population and 75 percent of the Albuquerque Metropolitan Statistical Area (MSA) comprised of Bernalillo County and portions of Sandoval, Torrance and Valencia counties.

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

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

Local Economy

Bernalillo County, with the City of Albuquerque making up 82 percent of its population, serves as a hub for commerce and industry in the Southwest. It accounts for nearly half of all economic activity in New Mexico. In the 2012 Forbes List of "Best Places for Business and Careers,"

Albuquerque placed 84th out of the 200 ranked metro areas in the country and was ranked 73rd in the “Cost of Doing Business” category and 137th in the “Job Growth Expected” category.

Forecasts by the University of New Mexico’s Bureau of Business and Economic Research suggest the near-term outlook for the Albuquerque economy is gradual improvement in 2012 from the recession that commenced in December 2007. The recovery will gain momentum in 2013 and continue through 2015. It is expected that Albuquerque will post its first year-over-year gain in employment in 2012 and gain strength in late 2013 when the rate of job creation will be greater than in other parts of the state. Nonfarm employment growth is expected to increase by 0.9 percent for the year and is projected to increase by 1.6 percent in 2013 and 2.0 percent in 2014. The unemployment rate in June 2012 was 7.0 percent—lower than the national rate of 8.2 percent but still .5 percent higher than the statewide rate of 6.5 percent. The unemployment rate for the Albuquerque MSA has declined to 6.8 percent in August 2012 and forecasts indicate the rate will continue to slowly decline annually reaching 6.2 percent in 2017.

FY13 general fund budgeted appropriations of \$229,525,502 represents a 5.9 percent increase from FY12 levels. Property taxes are anticipated to make up 50 percent of general fund revenue in FY 13 and 14 and are projected to increase by 2.7 percent in FY13 and projected to increase by 3% in FY14. Gross receipts taxes, which make up 40% of the general fund, increased 3.7% over FY11. Gross receipts are projected to remain flat in FY13 and increase by 1.6% in FY14.

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

Long-Term Financial Planning

The financial condition of the County is strong as reflected by the County’s current bond ratings. The County’s 2012 General Obligation Bonds were rated “AAA” by the nation’s two top rating agencies: Standard & Poor’s and Moody’s. The County continues its effort to incorporate comprehensive financial planning in its long-range vision in order to remain solvent during the gradual economic recovery. In addition to the 3/12th reserve requirement, required by the State of New Mexico, of \$69,769,876, the County’s long-term financial plan includes maintaining adequate reserves for the County’s provision of public safety services, extraordinary maintenance for aging infrastructure and to respond to emergencies and natural disasters. The County has also established a minimum fund balance policy consisting of an unassigned amount of \$36,564,598 which is equal to two months of the prior year general fund operating expenditures and is set aside for unforeseen emergency contingencies and cash flow needs.

Relevant Financial Policies

Bernalillo County is currently in its fifth biennial budget cycle. Through the biennial budget process, approval is granted by the Board for an appropriation of two fiscal years at once, with funding being available to departments one year at a time. Departments were provided a base budget and salary projections for each of the two years. Departments have the opportunity to evaluate their budgets prior to commencement of the second year. Any necessary changes will be presented to the Board as adjustments to the base budget. The biennial budget process has encouraged a long-term view of financial planning and shifted the emphasis from the process

itself to a more careful examination of resource allocation choices. FY13 represents the first year of the current biennial budget cycle.

Major Initiatives

In a move to deliver better service and be more responsive to our customers, the County has initiated what is called “Service Through Performance” (STP). The initiative is aimed at raising awareness of the importance of providing a quality customer experience to everyone the County serves — whether a county resident or a fellow county department. Under the STP initiative, customer wants and needs are identified and performance standards are developed around those needs and documented to determine to what extent responses meet expectations. These measures of customer-focused activity will, over time, be added to each department’s set of performance measures and be used on an ongoing basis to measure progress and maintain focus on the customer.

To address more efficient processes, in April 2012 the County launched its SharePoint 2010 implementation. A SharePoint site is a web site that provides a central storage and collaboration space for documents, information and ideas. It is a tool for collaboration, just like a telephone is a tool for communication, or a meeting is a tool for decision making. It helps groups of people (whether work teams or social groups) share information and work together. It empowers departments to build solutions customized to their needs and allows for delivery of timely and relevant information. With this implementation, projects, calendars and schedules can be coordinated, documents or proposals can be reviewed and information can be shared, all in a more efficient manner.

In FY12, the County began the installation of Global Positioning System (GPS) units in all its vehicles. The units can provide the time and location of any vehicle in the fleet through the use of GPS satellites. The benefits of this initiative for the County include effective management of the fleet, increased fuel efficiency resulting in fuel savings, monitoring county resources and assets, improved security and safety, and ultimately, increased accountability by the employee and the County. To date, 695 GPS units have been installed and all county vehicles will eventually be fitted with them.

In an effort to better address service delivery and cost efficiency, the County unveiled a Virtual One Stop Shop (VOSS) at its Union Square location which provides development and permitting services for both residential and commercial customers at one location. Staff from the Planning, Zoning, Building, and Environmental Health Department is physically located at the VOSS to answer questions and assist customers with the permit or application process, and Public Works and Fire Department staff is available to confer with applicants through video conferencing. Rather than sending customers to various County locations to discuss issues regarding their applications or permits, their needs are met in one location. The central location and ample free parking make the VOSS site more customer friendly as well.

In another move to improve efficiency and reduce costs, the County has begun the process of researching a viable solution for an automated timekeeping system. The major part of the effort is to move all departments off of a myriad of paper forms requiring multiple signatures, and various department generated forms and applications, onto a new standardized paperless

timekeeping process. The County currently utilizes a manual timekeeping process and anticipates implementing an electronic timekeeping system in mid FY13.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the eighth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Management and staff would like to acknowledge and thank the Board of County Commissioners for its stewardship and support. It is also important to recognize the contributions of former Commissioner for District 1, Michelle Lujan Grisham, who resigned her position effective September 7, 2012, to pursue the United States District 1 Congressional seat. The preparation of this report would not have been possible without the dedicated service of the Accounting Department. Management would also like to express appreciation to all County departments who assisted and contributed to the preparation of this report, especially the County Treasurer's Office and the Housing Department.

Sincerely,



Tom Zdunek
Bernalillo County Manager



Teresa Byrd
Deputy County Manager for Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Bernalillo
New Mexico

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



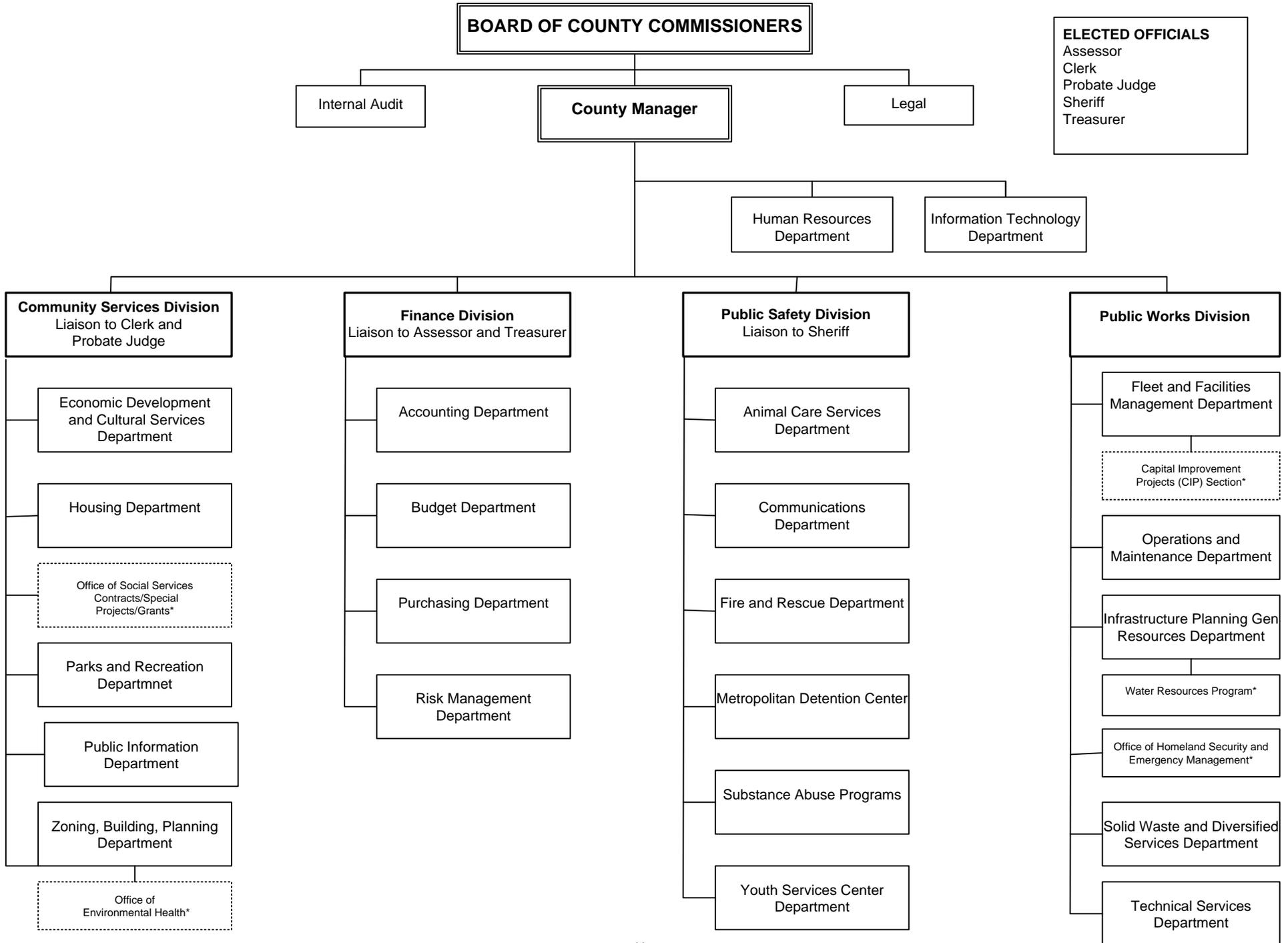
Linda C. Davison

President

Jeffrey R. Emer

Executive Director

BERNALILLO COUNTY ORGANIZATIONAL CHART



*Organizational unit of county government reporting to assigned Deputy County Manager/Director

COUNTY OF BERNALILLO

PRINCIPAL OFFICIALS

June 30, 2012

COUNTY COMMISSIONERS

Art De La Cruz, Chair	District 2
Maggie Hart Stebbins, ViceChair	District 3
Michelle Lujan Grisham, Member	District 1
Michael C. Wiener, Member	District 4
Wayne A. Johnson, Member	District 5

COUNTY ELECTED OFFICIALS

Karen L. Montoya	Assessor
Maggie Toulouse Oliver	Clerk
Misty Willow Parks	Probate Judge
Dan Houston	Sheriff
Patrick J. Padilla	Treasurer

COUNTY MANAGER

Tom Zdunek

DEPUTY COUNTY MANAGERS

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

COUNTY OF BERNALILLO, NEW MEXICO
CONTRIBUTORS
June 30, 2012

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Deputy County Manager for Finance

Financial Reporting Personnel

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Accounting Director

Bonnie Ulibarri-Romero, CPA
Financial Projects Coordinator

Anthony Infantino, MBA
Financial Projects Coordinator

Trudy McGregor, CPA
Financial Administrator

Nataliya Rubinchik, MSA
Financial Administrator

Vincent Lujan
Financial Administrator

Sueko Solosky
Financial Services Administrator

Cindy Torres
Accounting Officer

Leticia Carreon
Accounting Officer

Virginia C. Montoya
Accounting Officer

Victoria Herring
Administrative Officer

Treasurer's Office

Fidel A. Bernal, CPA
Chief Deputy Treasurer
Emily Madrid
Accounting Manager

Housing

Hans K. Zimmer

Fixed Assets Section
Budget Team



Report of Independent Auditors

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

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information and the budgetary comparison of the general fund and major special revenue fund of Bernalillo County, New Mexico (County), as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental, nonmajor enterprise funds, internal service fund, and the budgetary comparisons for the major capital project fund, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion,

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

the financial statements referred to previously present fairly, in all material respects, the respective financial position of each nonmajor governmental fund, nonmajor enterprise fund, and internal service fund of the County, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the major capital project fund, and all nonmajor funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2012 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not required part of the financial statements. The additional schedules listed as other supplemental information in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Mess Adams LLP

Albuquerque, New Mexico
November 13, 2012



COUNTY OF BERNALILLO NEW MEXICO
Management's Discussion and Analysis
June 30, 2012

As management of the County of Bernalillo (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages i-v of this report.

Financial Highlights

Government-wide

- The total government-wide assets of the County exceed its liabilities as of June 30, 2012 by \$616,586,165, an increase of \$14,609,039 or a 2.4% increase. Of this amount, \$360,462,408 is invested in capital assets, net of related debt. Of the remaining balance, \$140,368,833 is restricted for specific purposes and \$115,754,924 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- As of June 30, 2012, the County's governmental activities and business type activities have net assets of \$610,785,213 and \$5,800,952 respectively.
- Total net assets of the County are comprised of the following:

Net Assets by Category	June 30, 2012	% to Total	June 30, 2011	% to Total
Capital assets, net of related debt	\$ 360,462,408	58%	\$ 347,909,160	58%
Restricted net assets	140,368,833	23%	137,871,142	23%
Unrestricted net assets	115,754,924	19%	116,196,824	19%
Total net assets	<u>\$ 616,586,165</u>	<u>100%</u>	<u>\$ 601,977,126</u>	<u>100%</u>

Fund Financial Statements

- As of June 30, 2012, the County governmental funds reported combined fund balances of \$313,256,542. This reflects an increase of \$15,573,584 from the previous fiscal year and is primarily attributed to more revenues generated than what was expended in the County's operating fund resulting in a positive net change in the General Fund fund balance of \$14.8 million.
- The General Fund beginning balance increased by \$5,372,155 from \$186,929,568 to \$192,301,723 as a result of the reclassification of the Regional Correction Center Fund into the General Fund in FY12 as the fund's remaining resources did not meet the definition of a special revenue fund per the Governmental Accounting Standards Board (GASB).
- The fund balance in the County's General Fund increased from \$186,929,568 in FY11 to \$207,059,224 in FY12, an increase of \$20,129,656 or a 10.8% increase. A portion of the increase was attributed to a fund reclassification as stated above. Of this amount, \$69,769,876 or 33.7% of the general fund is for the State of New Mexico Department of Finance and

Administration required reserve (reported in restricted fund balance), \$56,961,090 or 27.5% is committed for various county projects, \$23,226,725 or 11.2% is assigned for future county needs, and \$15,682,513 or 7.6% is assigned for subsequent years' expenditures.

- The County was able to maintain adequate reserves in the amount of \$69,769,876 (reported in restricted fund balance) as required by the State of New Mexico Department of Finance and Administration, Local Government Division – 3/12 of the General Fund Budget for FY13.
- At the end of the fiscal year, the unassigned fund balance of the County's General Fund was \$36,564,598 which complies with the County's minimum fund balance policy of 2/12 of the prior year General Fund operating expenditures to be used for emergency contingencies and cash flow purposes.
- During the year, the County sold \$4,200,000 of General Obligation Bonds, Series 2011, which included \$2,300,000 for facility improvement, \$1,150,000 for parks and recreation and \$750,000 for libraries. Also, the County issued \$6,535,000 of General Obligation Refunding Bonds, Series 2012, with an average interest rate of 3.308% to advance refund \$6,815,000 of the County's outstanding General Obligation Bonds, Series 2003. In addition, the County issued \$14,400,000 of General Obligation Bonds, Series 2012A, which included \$12,000,000 for roads, \$1,150,000 for parks and recreation, \$750,000 for libraries and \$500,000 for public safety.
- The County has \$468,265,431 in available bonding capacity or 81% of allowable bonding capacity per the New Mexico State Constitution (see page 166).
- The County property valuations increased 0.5% from \$14.38 billion in FY11 to \$14.45 billion in FY12 (see page 157).
- The County managed and expended \$18,870,956 in Federal Funds in FY12 (see page 175).
- The County's 2011 General Obligation Bonds were rated "AAA" by both Fitch Ratings and Standard & Poor's and rated "Aaa" by Moody's Investors Service. The County's 2012 General Obligation (GO) Bonds were rated "AAA" by Standard & Poor's and rated "Aaa" by Moody's Investors Service. In addition, Standard & Poor's affirmed its "AAA" rating and Moody's Investors Service affirmed its "Aaa" on the County's existing GO Bond debt.
- In addition to its "AAA" and "Aaa" bond rating respectively, Standard and Poor's and Moody's Investors Service rates Bernalillo County as "STRONG" on its financial management assessment criteria. The County continues its effort to incorporate comprehensive financial planning in its long-range vision in order to remain solvent during the slow economic recovery.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

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

Both of the government-wide financial statements differentiate functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public works, public safety, culture and recreation, health and welfare and interest on long-term debt. The business-type activities of the County include Solid Waste, Bernalillo County Housing Authority, Seybold Village Handicapped Project, Regional Juvenile Detention Center, and El Centro Familiar. The government-wide financial statements can be found on pages 31-32 of this report.

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

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

In addition to the General fund, the County maintains thirty-one other individual governmental funds of which fifteen are classified as Special Revenue funds, thirteen are classified as Debt Service funds, and three are classified as Capital Projects funds. Information for the General fund, the Grants fund, and the Capital Construction fund, all of which are considered to be major funds, are presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its General fund. A budgetary comparison statement for the General fund is presented on pages 37-38. In addition, the County adopts an annual budget for other non-major funds. A budgetary statement is presented individually for all those funds that have an adopted budget.

The basic governmental fund financial statements can be found on pages 33-38 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for Solid Waste, Bernalillo County Housing Authority, Seybold Village Handicapped Project, Regional Juvenile Detention Center, and El Centro Familiar. An *Internal service fund* is used to account for operations that provide services to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service fund is the Risk Management fund, which is used to account for its risk management activities. Because the services provided by the Risk Management fund predominantly benefit governmental rather than business-type functions, this fund is included within *governmental activities* in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 39-41 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on page 42 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 43-80 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the Notes to the Financial Statements. Combining and individual fund statements and schedules can be found on pages 81-123 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's governmental-wide net assets exceed liabilities by \$616,586,165 for the fiscal year ending June 30, 2012. By far the largest portion of the County's net assets (58.5 percent) reflects its investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any debt used to acquire those assets, which is still outstanding. In the prior year, the County's investment in capital assets was 57.8% of net assets. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

County of Bernalillo Net Assets

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets:						
Current and other assets	\$ 363,612,635	\$ 372,257,741	\$ 5,259,590	\$ 4,738,572	\$ 368,872,225	\$ 376,996,313
Capital assets	572,890,008	572,719,762	3,294,086	3,471,713	576,184,094	576,191,475
Total assets	<u>936,502,643</u>	<u>944,977,503</u>	<u>8,553,676</u>	<u>8,210,285</u>	<u>945,056,319</u>	<u>953,187,788</u>
Liabilities:						
Long-term liabilities	268,602,823	262,956,140	465,022	679,499	269,067,845	263,635,639
Other liabilities	57,114,607	84,877,543	2,287,702	2,697,480	59,402,309	87,575,023
Total liabilities	<u>325,717,430</u>	<u>347,833,683</u>	<u>2,752,724</u>	<u>3,376,979</u>	<u>328,470,154</u>	<u>351,210,662</u>
Net Assets:						
Invested in capital assets, net of related Debt	357,168,323	344,670,560	3,294,085	3,238,600	360,462,408	347,909,160
Restricted	140,368,833	137,871,142	-	-	140,368,833	137,871,142
Unrestricted	113,248,057	114,602,118	2,506,867	1,594,706	115,754,924	116,196,824
Total net assets	<u>\$ 610,785,213</u>	<u>\$ 597,143,820</u>	<u>\$ 5,800,952</u>	<u>\$ 4,833,306</u>	<u>\$ 616,586,165</u>	<u>\$ 601,977,126</u>

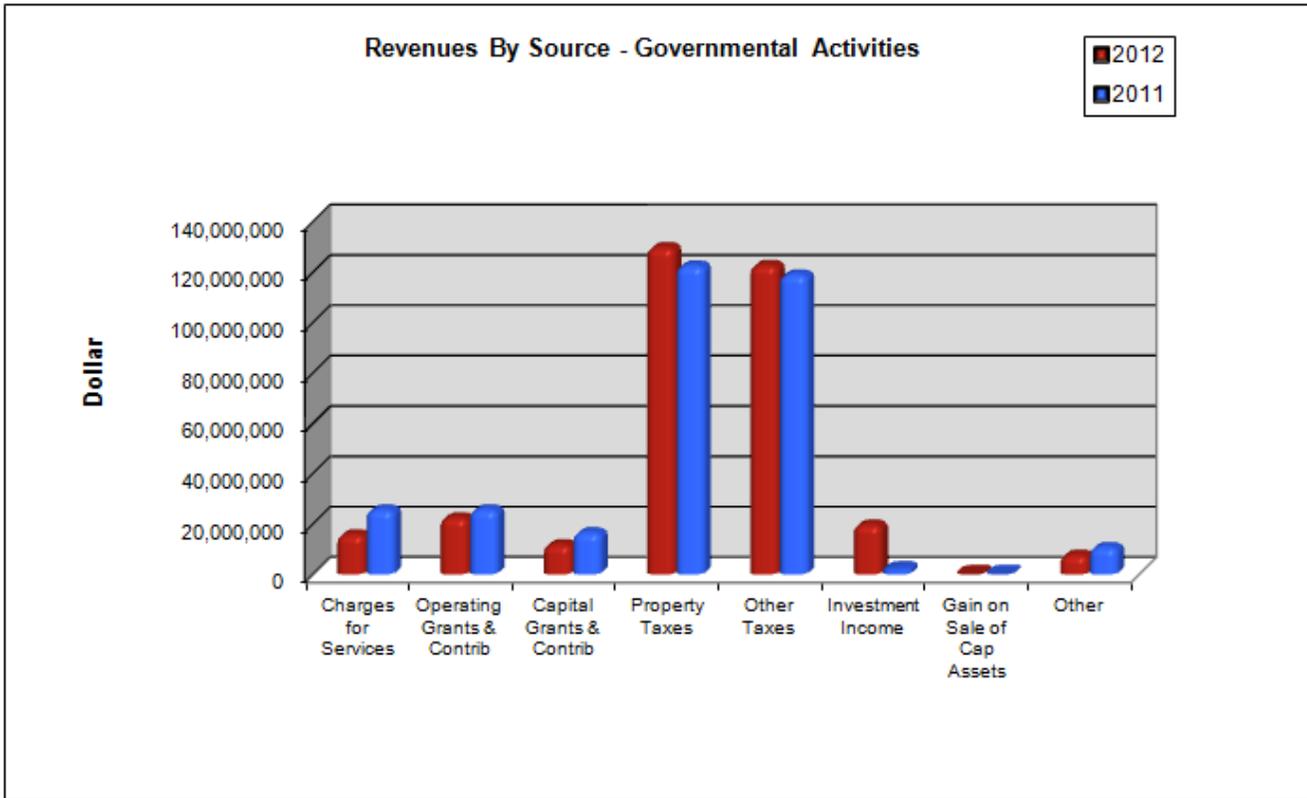
Restricted net assets in the amount of \$140,368,833 represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$115,754,924 may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental activities. Governmental activities during the year increased the County's net assets by \$13,641,393 in FY12 as compared to a decrease of \$5,218,396 in FY11.

County of Bernalillo's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues:						
Program revenues:						
Charges for services	\$15,539,133	\$25,411,451	\$6,420,809	\$6,514,062	\$21,959,942	\$31,925,513
Operating grants and contributions	22,785,744	25,458,616	1,282,614	1,308,574	24,068,358	26,767,190
Capital grants and contributions	11,537,451	16,358,559	63,756	-	11,601,207	16,358,559
General revenues:						
Property taxes	129,585,691	122,275,071	-	-	129,585,691	122,275,071
Other taxes	122,505,605	118,768,108	-	-	122,505,605	118,768,108
Investment income	19,404,077	2,244,107	6,336	6,456	19,410,413	2,250,563
Gain on sale of capital assets	-	-	-	-	-	-
Other	6,931,763	10,539,678	558,253	550,162	7,490,016	11,089,840
Total revenues	<u>328,289,464</u>	<u>321,055,590</u>	<u>8,331,768</u>	<u>8,379,254</u>	<u>336,621,232</u>	<u>329,434,844</u>
Expenses:						
General government	57,591,475	69,096,613	-	-	57,591,475	69,096,613
Public works	44,480,787	43,729,571	-	-	44,480,787	43,729,571
Public safety	145,585,157	145,727,403	-	-	145,585,157	145,727,403
Health and welfare	43,128,410	41,952,311	-	-	43,128,410	41,952,311
Culture and recreation	12,755,946	13,347,421	-	-	12,755,946	13,347,421
Interest on long-term debt	10,989,496	12,420,667	-	-	10,989,496	12,420,667
Solid Waste	-	-	4,841,418	4,684,002	4,841,418	4,684,002
Housing Authority	-	-	1,340,960	1,480,157	1,340,960	1,480,157
Seybold Village	-	-	156,761	341,593	156,761	341,593
Juvenile Detention Center	-	-	904,892	1,079,558	904,892	1,079,558
El Centro Familiar	-	-	404,057	397,701	404,057	397,701
Total expenses	<u>314,531,271</u>	<u>326,273,986</u>	<u>7,648,088</u>	<u>7,983,011</u>	<u>322,179,359</u>	<u>334,256,997</u>
Increase (decrease) in net assets before transfers	13,758,193	(5,218,396)	683,680	396,243	14,441,873	(4,822,153)
Transfers in (out)	(116,800)	-	116,800	-	-	-
Capital contributions	-	-	167,166	5,849	167,166	5,849
Increase (decrease) in net assets	<u>13,641,393</u>	<u>(5,218,396)</u>	<u>967,646</u>	<u>402,092</u>	<u>14,609,039</u>	<u>(4,816,304)</u>
Net assets – beginning	597,143,820	602,362,216	4,833,306	4,431,214	601,977,126	606,793,430
Net assets – ending	<u>\$610,785,213</u>	<u>\$597,143,820</u>	<u>\$5,800,952</u>	<u>\$4,833,306</u>	<u>\$616,586,165</u>	<u>\$601,977,126</u>

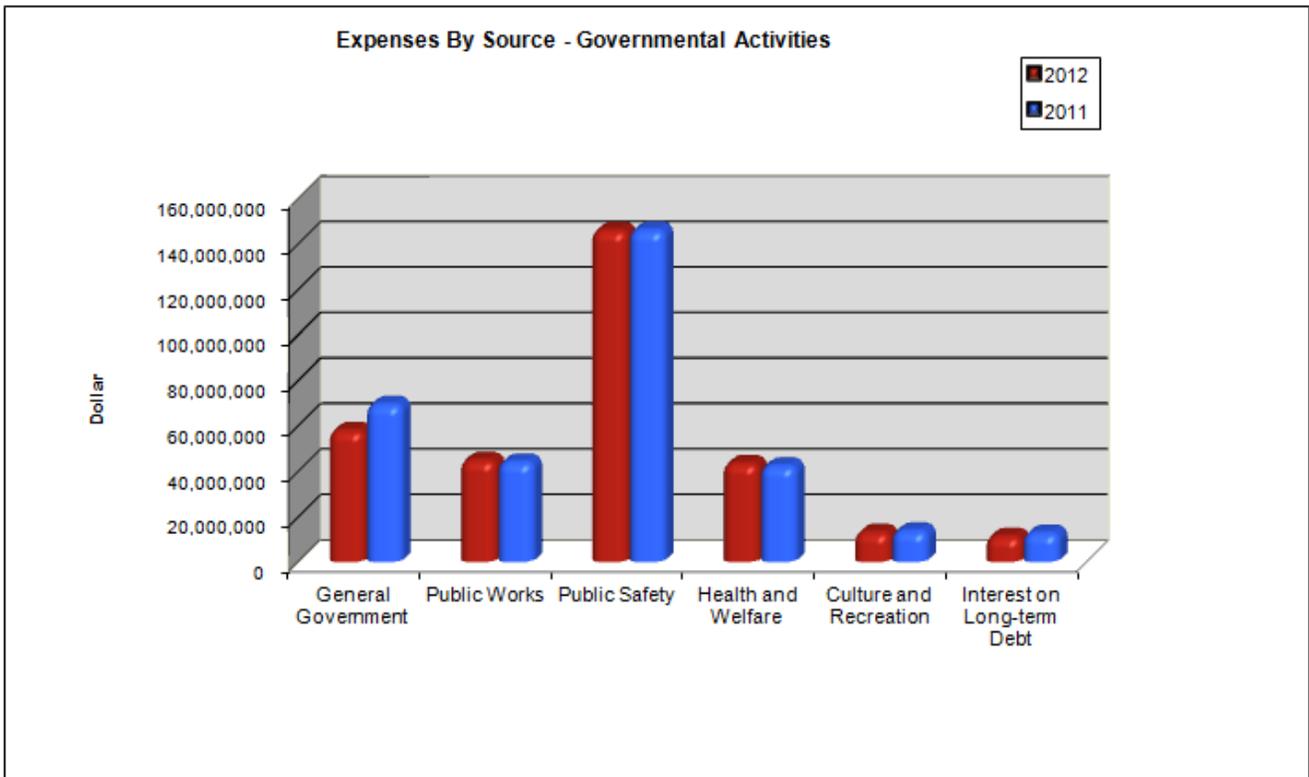


Governmental Activities revenues increased by \$7.3 million from \$321 million in FY11 to \$328.3 million in FY12, an increase of 2.3%. Key elements in the increase of governmental activities revenues are as follows:

- Program revenues charges for services decreased \$9.9 million from \$25.4 million in FY11 to \$15.5 million in FY12, a 39% decrease. The decrease was attributed to \$10.5 million less in fees collected for housing inmates at the Regional Correctional Center which was closed in April 2011 as a result of the termination of the inter-governmental agreement between the United States Marshals Service and the County of Bernalillo. The decrease was offset by increases in collections of \$112 thousand in valuation fees, collections of \$317 thousand in recording and filing fees, and collections of \$139 thousand in section 8 housing voucher fees.
- Program revenues operating grants and contributions decreased \$2.6 million from \$25.4 million in FY11 to \$22.8 million in FY12, a 10.2% decrease. The decrease was primarily attributed to a reduction of \$2.6 million in Housing and Urban Development (HUD) grant operating revenue in the Section 8 Housing-Voucher fund due to excess fund balance. HUD is requiring the Housing Department to spend down excess fund balance before providing additional grant funding.
- Program revenues capital grants and contributions decreased \$4.9 million from \$16.4 million in FY11 to \$11.5 million in FY12, a 29.9% decrease. A portion of the decrease was attributed to a decrease of \$3.2 million in revenue received from the New Mexico Department of Economic Development for the Fidelity project at Mesa Del Sol totaling \$2.5 million and for the Noribachi project of \$748 thousand. These projects were completed in FY11 and no funding was received in FY12. In addition, the decrease was attributed to \$2.6 less in legislative appropriate funding in

FY12 from the state for culture and recreation capital projects. Overall, the reduction in state legislative appropriation revenue for Bernalillo County in FY12 was due to the continued sluggish state economy.

- General revenues property taxes increased \$7.3 million from \$122.3 million in FY11 to \$129.6 million in FY12, a 6% increase. The increase was attributed to an increase in the County's operational residential mill levy from 6.665 to 6.866 per \$1,000 of assessed taxable value and an increase in the County's debt service mill levy from .555 to .897 per \$1,000 of assessed taxable value. In addition, there was a slight increase in the current property tax collections rate from 95.33% in FY11 to 95.97% in FY12. The increase in revenue was also attributed to an increase in the assessed taxable valuation within the County of \$68 million from \$14.385 billion in FY11 to \$14.453 billion in FY12.
- General revenues other taxes increased \$3.7 million from \$118.8 million in FY11 to \$122.5 million in FY12, a 3.1% increase. The increase was attributed to an increase in gross receipts tax revenue as a result of the yearly equalization distribution of \$2.3 million from the state. The remainder of the gross receipts tax revenue increase of \$1.4 million was attributed to a slight improvement in the state economy in FY12. This was reflected by an overall increase of 0.7% in taxable gross receipts reported by the state for Bernalillo County during the year from \$15 billion in FY11 to \$15.1 billion in FY12.
- General revenues investment income increased \$17.2 million from \$2.2 million in FY11 to \$19.4 million in FY12, a 781.8% increase. The increase was primarily attributed to the recording of unrealized investment income that resulted from the change in net market value of the County's investments at the end of FY12 versus the net market value at the end of FY11. In FY11 the net market value of the County's investments reflected a net decrease of \$9.4 million and in FY12, the net market value of the County's investments recovered to reflect a net market value increase of \$9.4 million. As a result, the unrealized investment income, due to the change in net market value of the County's investments, increased by \$18.8 million from FY11 to FY12. In addition, the increase was attributed to an increase in realized investment income of \$703 thousand and an increase in realized and unrealized investment income discount of \$335 thousand. The increase was offset by a \$2.7 million net change loss between FY11 to FY12 related to net unrealized investment income accruals.
- Other revenues decreased \$3.6 million from \$10.5 million in FY11 to \$6.9 million in FY12, a 34.3% decrease. A portion of the decrease was attributed to \$1.4 million less recognized as miscellaneous revenue to capitalize non-cash donations of land, building, machinery and equipment, art, and infrastructure. In addition, the decrease is attributed to \$1.5 million less in miscellaneous revenue recognized from the rental of the County's Regional Correction Center building to the United States Marshals Service as a result of the termination of the inter-governmental agreement between the County of Bernalillo and the United States Marshals Service in April 2011.

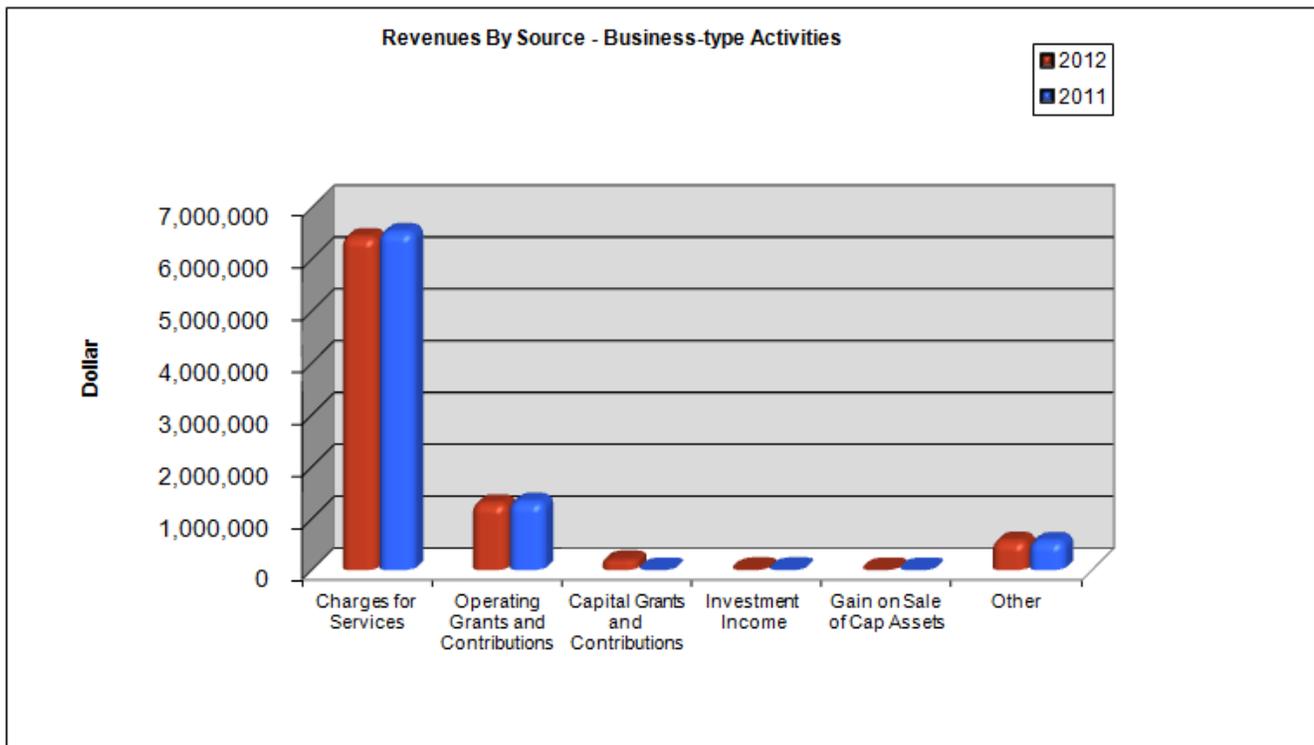


Governmental activities expenses decreased by \$11.8 million from \$326.3 million in FY11 to \$314.5 million in FY12, a decrease of 3.6%. Key elements in the decrease in governmental activities expenses are as follows:

- General government expenses decreased by \$11.5 million from \$69.1 million in FY11 to \$57.6 million in FY12, a 16.6% decrease. A portion of the decrease was attributed to a \$3 million settlement agreement following a judgment in a class action case suit against the County Sheriff's Office recorded as an expenditure accrual in this category in FY11 and paid from the public safety category in FY12. In addition, the decrease was attributed to a \$2.7 less in capital outlay for others expenses recorded in this category than in FY11. The decrease was also attributed to \$1.1 million less in salary contingency expenditures in FY12 versus FY11. Also, the decrease was attributed to a decrease of \$900 thousand in rental expenditures paid to the City of Albuquerque in FY12 for rental of the City/County Building as in FY11 the County paid prior year rental amounts past due. Additionally, contractual services expenditures decreased by \$800 thousand, ERP SAP support expenditures decreased by \$800 thousand, Grant Match expenditures decreased by \$300 thousand, operating expenditures for the County Manager's Office decreased by \$400 thousand, operating expenditures for the Assessor's Office decreased by \$600 thousand, and operating expenditures for the Bureau of Elections decreased by \$500 thousand. The remaining variance can also be attributed to decreases in other general government areas.
- Health and welfare expenses increased by \$1.2 million from \$41.9 million in FY11 to \$43.1 million in FY12, a 2.9% increase. The increase was primarily attributed to \$900 thousand more in expenses for Department of Substance Abuse (DSAP) initiatives and \$300 thousand more in expenses for indigent services.

- Interest on long-term debt expenses decreased by \$1.4 million from \$12.4 million in FY11 to \$11 million in FY12, an 11.3% decrease. The decrease was primarily attributed to a decrease in interest expense on the County’s long-term debt (general obligation bonds, gross receipts tax revenue bonds, and tax revenue anticipation notes).

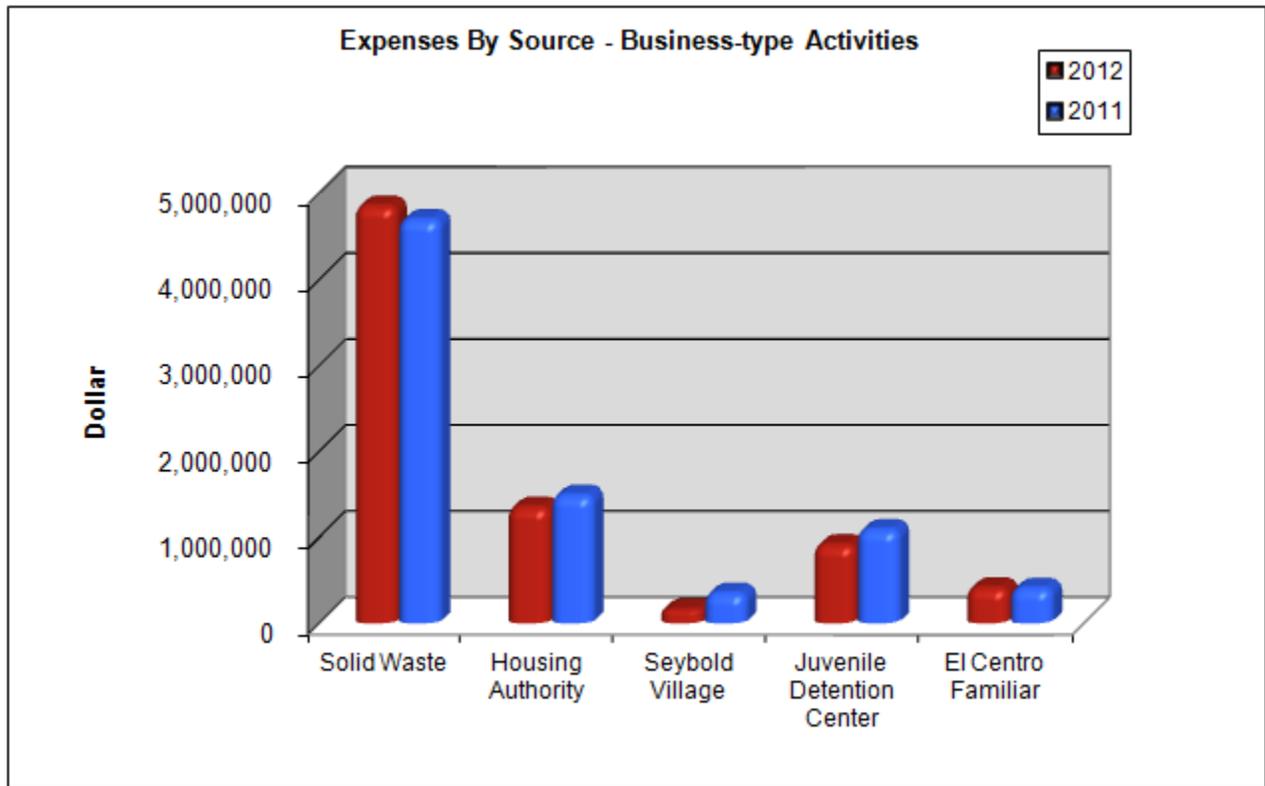
Business-type activities. Business-type activities net assets increased by \$967,646 during the current fiscal year. During the year, the Solid Waste fund, the Bernalillo County Housing Authority fund, the Regional Juvenile Detention Center fund, and the El Centro Familiar fund had more total program revenues than total program expenses resulting in income before contributions of \$348,275, \$59,007, \$157,331, and \$55,670 respectively. Overall, the business-type activities experienced a \$674,386 operating loss (program revenues less expenses) before non-operating revenues of \$1,294,310, capital grant subsidies of \$63,756, capital contributions of \$167,166, transfers in of \$262,700, and transfers out of \$145,900.



Business-type activities revenue decreased from \$8.379 million in FY11 to \$8.332 million in FY12, a 0.63% decrease. Key elements in the decrease of business-type activities revenue are as follows:

- Revenue program charges for services decreased from \$6.5 million in FY11 to \$6.4 million in FY12, a 1.5% decrease. The decrease was attributed to \$217 thousand less in administrative fees collected at the Housing Authority in FY12. This was offset by an increase of \$46 thousand in administrative fees collected for solid waste collection services provided to residents by Waste Management, Inc. and an increase of \$77 thousand in rental revenue fees generated at the El Centro Familiar in FY12.

- Revenue program capital grants and contributions increased from zero in FY11 to \$64 thousand in FY12. The increase was attributed to capital grant subsidies for building improvements and for administration and operation costs in the Seybold Village Handicapped project in the amount of \$64 thousand. There were no capital grants and contributions in FY11.
- Other revenues increased from \$550 thousand in FY11 to \$558 thousand in FY12, an increase of 1.5%. The increase was primarily attributed to \$106 thousand more in miscellaneous revenue recognized in the Solid Waste fund in FY12. The increase was offset by a decrease of miscellaneous revenue recognized in the Bernalillo County Housing Authority of \$98 thousand.



Business-type activities expenses decreased from \$7.983 million in FY11 to \$7.648 million in FY12, a 4.2% decrease. Key elements of the decrease are as follows:

- Solid Waste expenses increased from \$4.684 million in FY11 to \$4.841 million in FY12, a 3.3% increase. A significant portion of the increase was attributed to an increase of \$99 thousand in fees paid to Waste Management to bill and collect for solid waste services and an increase in other charges and services of \$109 thousand which was reflective of four months of governmental gross receipt tax payments recorded in FY12 of \$64 thousand that should have been recorded in FY11. The increase was offset by a decrease in depreciation expense of \$64 thousand.
- Housing Authority expenses decreased from \$1.480 million in FY11 to \$1.341 million in FY12, a 9.4% decrease. The decrease was attributed to a decrease of \$139 thousand in contractual services as a result of a decrease in homes that were rehabilitated in FY12.

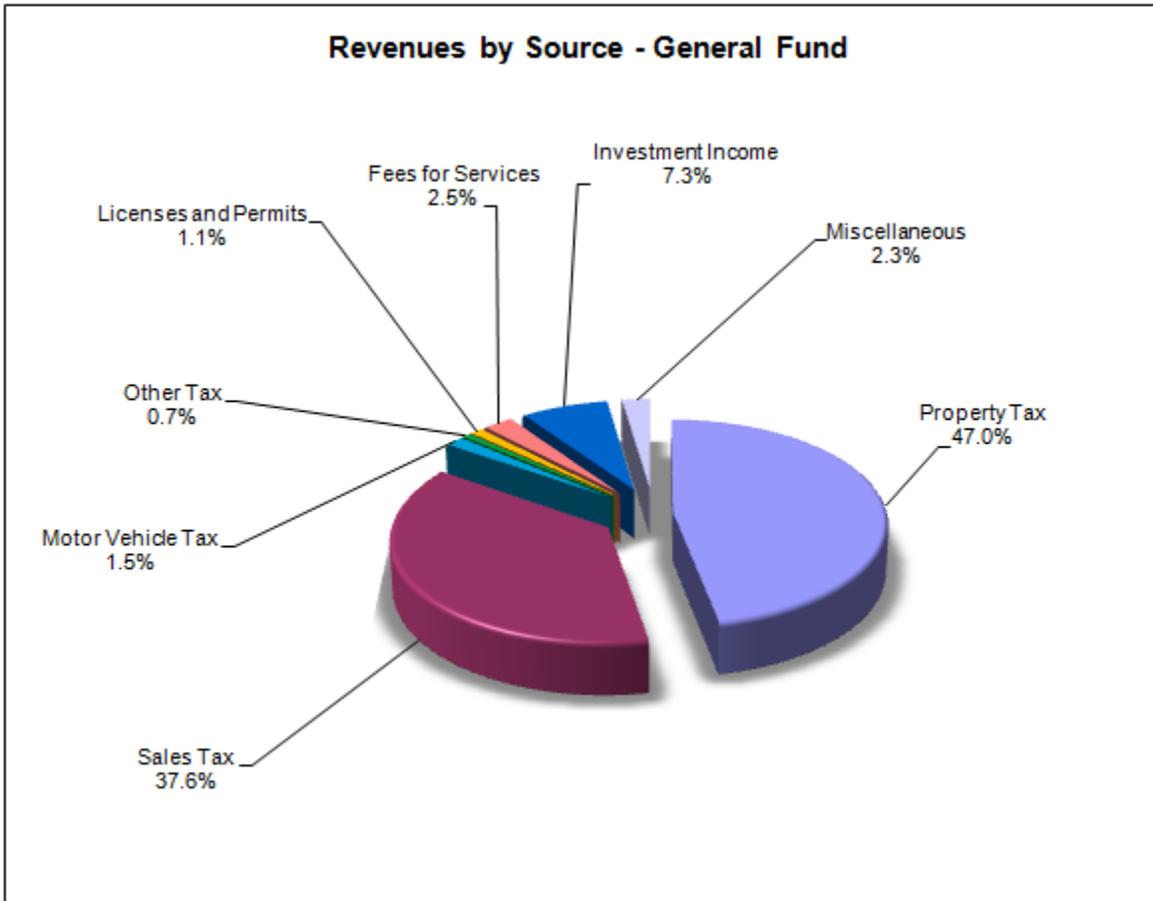
- Seybold Village expenses decreased from \$342 thousand in FY11 to \$157 thousand in FY12, a 54.1% decrease. The decrease was primarily attributed to a decrease in depreciation expense of \$175 thousand and a decrease in salaries and wages of \$35 thousand. This was offset by an increase in other services and charges of \$18 thousand and an increase in materials and supplies of \$7 thousand.
- Juvenile Detention Center expenses decreased from \$1.079 million in FY11 to \$905 thousand in FY12, a 16.1% decrease. The decrease was primarily attributed to a decrease of \$121 thousand in salaries and wages, a decrease of \$70 thousand in contractual services, and a decrease in other services and charges of \$4 thousand. This was offset by an increase in materials and supplies of \$20 thousand.
- El Centro Familiar expenses increased from \$398 thousand in FY11 to \$404 thousand in FY12, a 1.5% increase. The increase was primarily attributed to an increase of \$60 thousand in other charges and services and an increase of \$16 thousand in miscellaneous expense. This was offset by a decrease increase in salaries and wages of \$68 thousand.

Financial Analysis of the County's Funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$313,256,542, an increase of \$15.6 million. Approximately 30.6% of this total, \$95,927,943, constitutes assigned (\$59,375,053) and unassigned (\$36,552,890), which is available for spending at the County's discretion. The remainder of fund balance is made up of non-spendable in form (i.e., inventory, advances) amounts of \$16,862,067, restricted amounts of \$143,505,442, and committed amounts of \$56,961,090 which are detailed in the notes to the financial statements.

General Fund. The County's general fund balance increased \$14,757,501 during the current fiscal year. Key factors in this increase are based on the increase in investment income as a result of the change in net market value of investments in FY12 versus FY11 combined with more than expected other revenues than expenditures incurred during the year.

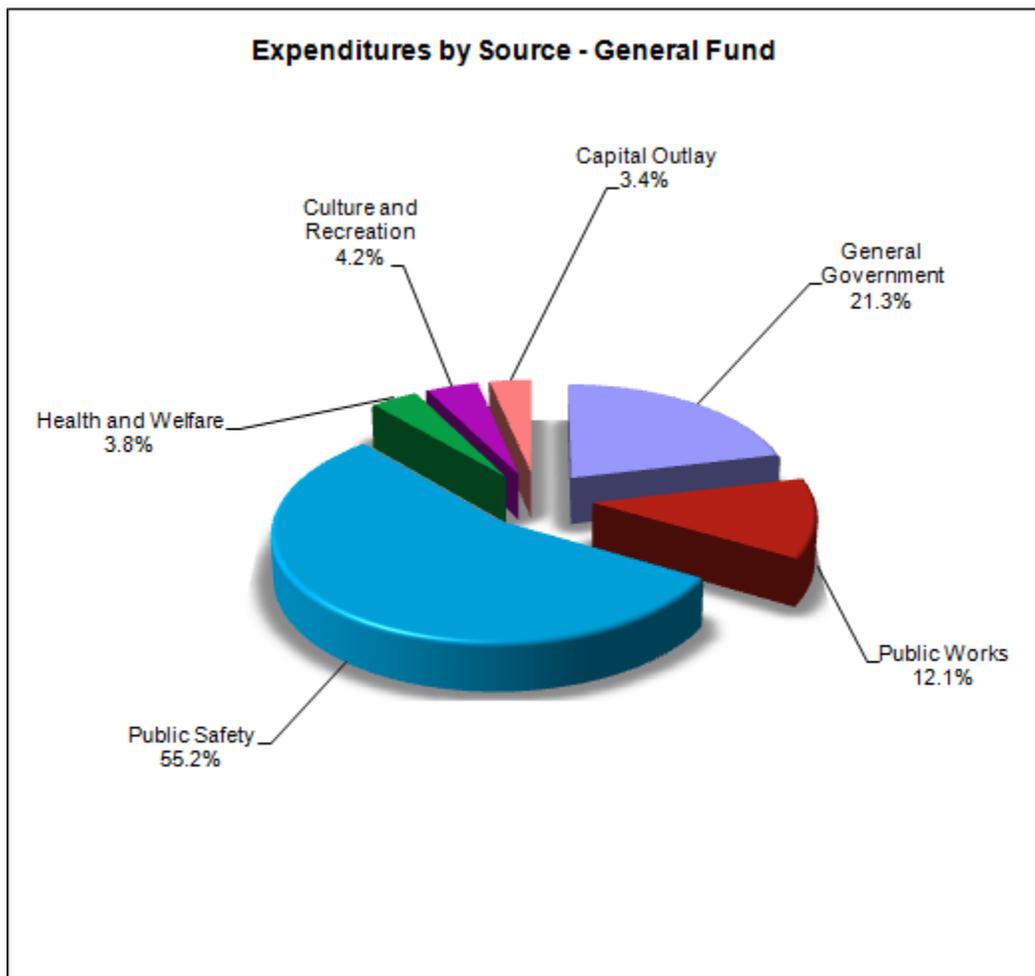


General Fund revenues increased \$23.6 million from \$223.9 million in FY11 to \$247.5 million in FY12, an increase of 10.5%. Key elements in the increase of General Fund revenues are as follows:

- Property tax revenue increased by \$3.2 million or 2.8% from \$113 million in FY11 to \$116.2 million in FY12. The increase was attributed to an increase in the County’s operational residential mill levy from 6.665 to 6.866 per \$1,000 of assessed taxable value and a slight increase in the current property tax collection rate from 95.33% in FY11 to 95.97% in FY12. The increase in revenue was also attributed to an increase in the assessed taxable valuation within the County of \$68 million from \$14.385 billion in FY11 to \$14.453 billion in FY12.
- Gross receipts tax revenue (GRT) increased by \$3.3 million from \$89.7 million in FY11 to \$93 million in FY12, a 3.7% increase. The increase was primarily attributed the yearly equalization distribution of \$2.3 million from the state. The remainder of the increase of \$1 million was attributed to a slight improvement in the state economy in FY12. As was the case for the state, the County slipped into a recession in FY08, continued well into FY10, and the recovery has slowly improved in FY11 and FY12. This was reflected by an overall increase of 0.7% in taxable gross receipts reported by the state for Bernalillo County during the year from \$15 billion in FY11 to \$15.1 billion in FY12.
- Investment income revenue increased by \$17.3 million from \$927 thousand in FY11 to \$18.2 million in FY12, an increase of 1,866.2%. The increase was primarily attributed to the recording of unrealized investment income that resulted from the change in net market value of the County’s investments at the end of FY12 versus the net market value in FY11. In FY11

the net market value of the County’s investments reflected a net decrease of \$9.4 million and in FY12 the net market value of the County’s investments recovered to reflect a net market value increase of \$9.4 million. As a result, the unrealized investment income, due to the change in the net market value of the County’s investments, increased by \$18.8 million from FY11 to FY12. In addition, the remaining increase was attributed to an increase in realized investment income of \$811 thousand and an increase in realized and unrealized investment income discount of \$335 thousand. The increase was offset by a \$2.7 million net change loss between FY11 to FY12 related to net unrealized investment income accruals.

General Fund expenditures increased \$3 million from \$219.4 million in FY11 to \$222.4 million in FY12, a 1.4% increase. Key elements in the increase in General Fund expenditures are as follows:



- General government expenditures decreased by \$10 million from \$57.3 million in FY11 to \$47.3 million in FY12, a 17.4% decrease. A portion of the decrease was attributed to a \$3 million settlement agreement following a judgment in a class action case suit against the County Sheriff’s

Office recorded as an expenditure accrual in this category in FY11 and paid from the public safety category in FY12. The decrease can also be attributed to \$1.1 million less in salary contingency expenditures in FY12 versus FY11. Also, the decrease was attributed to a decrease of \$900 thousand in rental expenditures paid to the City of Albuquerque in FY12 for rental of the City/County Building as in FY11 the County paid prior year rental amounts past due. In addition, contractual services expenditures decreased by \$800 thousand, ERP SAP support expenditures decreased by \$800 thousand, Grant Match expenditures decreased by \$300 thousand, operating expenditures for the County Manager's Office decreased by \$400 thousand, operating expenditures for the Assessor's Office decreased by \$600 thousand, and operating expenditures for the Bureau of Elections decreased by \$500 thousand. The remaining variance can also be attributed to decreases in other general government areas.

- Public safety expenditures increased by \$11.5 million from \$111.3 million in FY11 to \$122.8 million in FY12, a 10.3% increase. The increase is attributed to a \$3 million settlement agreement following a judgment in a class action case suit against the County Sheriff's Office recorded as an expenditure accrual in the general government category in FY11 and paid from this category in FY12. In addition, expenditures for safety operations increased by \$2.8 million, expenditures related to the Mclendon lawsuit increased by \$1.6 million, expenditures for the Health Services Unit at the Metropolitan Detention Center (MDC) increased by \$1 million, expenditures to operate the Metro Air helicopter increased by \$743 thousand and expenditures for the MDC community custody program (CCP) increased by \$725 thousand. The remaining variance can be attributed to increases in expenditures on other public safety areas including the MDC transport unit, MDC security, MDC administration and other operating categories some of which had a negative variance effect.
- Capital outlay increased by \$1 million from \$5.9 million in FY11 to \$6.9 million in FY12, a 16.9% increase. The increase was primarily attributed to expenditures of \$561 thousand for the re-roof of the MDC facility and expenditures of \$588 thousand for upgrades to the Voting Machine Warehouse.

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

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

Grants Fund revenues decreased \$9.8 million from \$26.7 million in FY11 to \$16.9 million in FY12, a decrease of 36.7%. Key elements in the decline of the Grants Fund revenues are as follows:

- Intergovernmental revenues decreased \$9.9 million from \$26.7 million in FY11 to \$16.8 million in FY12, a decrease of 37.1%. The decrease was primarily attributed to a decrease in legislative appropriation grant revenue reimbursements, state direct grant revenue reimbursements, and reimbursable contract reimbursements of \$3.3 million, \$3.1 million, and \$1.1 million respectively. In addition, federal grant revenue reimbursements decreased by \$2.4 million. Overall, the reduction in revenue was a result of reduced state legislative and direct

appropriations and federal appropriations for Bernalillo County as a result of the slowdown in the state and national economy.

- Miscellaneous revenue increased from zero in FY11 to \$129 thousand in FY12. The increase was attributed to miscellaneous revenue recorded in the intergovernmental category in FY11 and separated and reported in this category in FY12 and into the future.

Grants Fund expenditures decreased \$9.8 million from \$26.7 million in FY11 to \$16.9 million in FY12, a decrease of 36.7%. Key elements in the decline of the Grants Fund expenditures are as follows:

- Public safety expenditures decreased \$1.7 million from \$9.9 million in FY11 to \$8.2 million in FY12, a decrease of 17.2%. The decrease was primarily attributed to a decrease of \$1.1 million in expenditures for the High Intensity Drug Trafficking Area (HIDTA) grant which is no longer managed by the County Sheriff's Office. In addition, small expenditure decreases occurred for the E911 Communications grant, the Emergency Preparedness grant, the Fire miscellaneous grants and the Driving While Intoxicated (DWI) grants.
- Capital outlay expenditures decreased \$3.1 million from \$7.7 million in FY11 to \$4.6 million in FY12, a decrease of 40.3%. The decrease was primarily attributed to a decrease in grant expenditures of \$2 million for the Eubank Road project as the majority of the project was completed in FY11. In addition, the decrease was attributed to a \$605 thousand decrease in grant expenditures for the Five Points project, \$512 thousand decrease in grant expenditures for the Fisher and Smith Gymnasium project and \$386 thousand decrease in grant expenditures for the Vista Del Rio project.
- Intergovernmental-capital outlay decreased \$4.7 million from \$7.5 million in FY11 to \$2.8 million in FY12, a decrease of 62.7%. The decrease was primarily attributed to a decrease in grant expenditures of \$2.5 million for the Forest City/Fidelity LEDA project and \$1.1 million in grant expenditures for the Sunset Road project as these projects were completed in FY11. In addition, the decrease was attributed to \$473 thousand decrease in grant expenditures for the Five Points project and \$390 thousand decrease in grant expenditures for the Eubank Road project.

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

The Construction Fund balance decreased \$441 thousand from \$39.7 million in FY11 to \$39.2 million in FY12. The decrease was attributed to the transfer out of bond proceeds of \$4.8 million to the debt service fund to pay the debt due on the GRT Revenue Bond, Series 2009A, as the bond proceeds were never used for their intended purpose. Also, during the year, the County issued \$18.6 million in General Obligation Bond, Series 2011 and Series 2012 and expenditures exceeded revenues by \$14.7 million.

Construction Fund revenues increased \$4 million from \$623 thousand in FY11 to \$4.6 million in FY12, an increase of 642.1%. Key elements in the growth of Construction Fund revenues are as follows:

- Intergovernmental revenues increased \$4.1 million from \$241 thousand in FY11 to \$4.3 million in FY 12, an increase of 1,701.2%. The increase was attributed to an increase in reimbursable contract revenue of \$4 million recognized from the Albuquerque Bernalillo County Water Utility Authority for reimbursements on costs related to the South Valley Drinking Water project. This amount was recorded as deferred revenue in FY11.
- Investment income revenues decreased \$97 thousand from \$382 thousand in FY11 to \$285 thousand in FY12, a decrease of 25.4%. The decrease was primarily attributed to less in construction funds available to be invested and also a decrease in the rate of return earned on investments in FY12 due to the slow economic recovery from the 2007 recession.

Construction Fund expenditures increased \$1.5 million from \$17.8 million in FY11 to \$19.3 million in FY12, an increase of 8.4%. Key elements in the growth of Construction Fund expenditures are as follows:

- General government expenditures increased \$648 thousand from \$448 thousand in FY11 to \$1.1 million in FY12, an increase of 144.6%. The increase was primarily attributed to an increase in expenditures for library books.
- Public works expenditures increased \$271 thousand from \$450 thousand in FY11 to \$721 thousand in FY12, an increase of 60.2%. The increase was primarily attributed to an increase in expenditures for miscellaneous road projects in the county.
- Culture and recreation expenditures increased \$276 thousand from \$41 thousand in FY11 to \$317 thousand in FY12, an increase of 673.2%. The increase was primarily attributed to an increase in expenditures for the Fisher and Smith Gymnasium project and for various parks projects in the county.
- Capital outlay expenditures decreased \$1 million from \$15 million in FY11 to \$14 million in FY12, a decrease of 6.7%. The majority of the decrease was attributed to a decrease in expenditures of \$3.5 million for the James McGrane, Jr. Public Safety Complex project as the majority of the project was completed in FY11. This was offset by an increase in expenditures of \$2.2 million for the Stanford Health Clinic project.
- Intergovernmental-capital outlay expenditures increased \$1 million from \$1.8 million in FY11 to \$2.8 million in FY12, an increase of 55.6%. The increase was primarily attributed to an increase in expenditures of \$1.8 million in FY12 for the South Valley Drinking Water project.

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

Special Revenue funds. As of the end of fiscal year 2012, the County's Special Revenue funds reported combined ending fund balances of \$37,486,641, a decrease of \$4,450,107. Of the fund

balance, \$14,109 is non-spendable in form, \$37,484,240 is restricted, and (\$11,708) is unassigned. Key elements in the decline of the total special revenue fund balance are as follows:

- The decrease was primarily attributed to a decrease of \$5.4 million as the Regional Correction Center Fund was reclassified to the General Fund in FY12 as the fund's remaining resources did not meet the definition of a special revenue fund per GASB.
- The decrease was also attributed to a \$1.5 million decrease in the fund balance of the Section 8 Housing-Voucher Fund from \$3.6 million in FY11 to \$2.1 million in FY12, a 41.7% decrease. In FY12, this fund generated \$11.2 million in revenues, expenditures of \$12.7 million, and other financing uses of \$117 thousand.
- The decrease was offset by an increase of \$2 million in the fund balance of the Valuation Fund from \$11 million in FY11 to \$13 million in FY12, an 18.2% increase. In FY12, this fund generated \$5.5 million in revenues, expenditures of \$3.2 million, and other financing uses of \$339 thousand.

Debt Service funds. As of the end of fiscal year 2012, the County's Debt Service funds reported combined ending fund balances of \$19,106,718, an increase of \$1,964,173. Of the fund balance, \$13,277,530 is non-spendable in form and the remainder of the fund balance of \$5,829,188 is restricted to pay debt service. Key elements of the increase in the total fund balance are as follows:

- The increase was attributed to an increase of \$2.5 million in the General Obligation Bond Debt Service Fund from \$113 thousand in FY11 to \$2.6 million in FY12, a 2,212.4% increase. In FY12, this fund generated \$12.6 million in revenues, debt service expenditures of \$10.2 million, and other financing sources of \$85 thousand.
- The increase was offset by a decrease of \$400 thousand in the Series 1996B Debt Service Fund from \$1.4 million in FY11 to \$1 million in FY12, a 28.6% decrease. In FY12, this fund generated \$367 thousand in interest income revenue, debt service expenditures of \$4.8 million, and other financing sources of \$4 million.

Capital Projects funds. As of the end of fiscal year 2012, the County's Capital Project funds reported combined ending fund balances of \$10,383,633, a decrease of \$1,629,309. During the year, as capital projects are completed, the costs of the projects are reclassified as capital assets and removed from the capital project funds. The fund balance of \$10,383,633 is restricted for capital projects. Key elements of the decrease in the total fund balance are as follows:

- The majority of the decrease was attributed to a decrease of \$1.6 million in the Open Space Fund from \$7.3 million in FY11 to \$5.7 million in FY12, a 21.9% decrease. The majority of the decrease was in large part due to property tax revenue of \$1.4 million and capital outlay expenditures of \$2.2 million. There were also operating expenditures of \$370 thousand in the public works category and \$382 thousand in the culture and recreation category.
- The decrease was also attributed to a decrease of \$77 thousand in the Impact Fee Fund balance as expenditures of \$500 thousand exceeded impact fee revenue and interest income revenue of \$423 thousand.

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

Budgetary Highlights Original Budget – Final Budget Comparison.

General Fund. General fund total original budgeted revenues increased \$167 thousand or by 0.08% from \$217.5 million to \$217.7 million (final). General fund total original budgeted expenditures increased \$28.4 million or by 11.5% from \$246.6 million to \$275 million (final). Significant changes between the original budget and the final amended budget are summarized as follows:

- The miscellaneous income original revenue budget increased \$167 thousand from \$7.4 million to \$7.6 million. The increase was primarily attributed to \$167 thousand established to accept revenue from the New Mexico Community Foundation for the ABC Community Schools initiative and to receive funding from the State of New Mexico for the Wild Land Operations initiative.
- The general government legal original expenditure budget increased \$943 thousand from \$2 million to \$2.9 million. The increase was attributed to \$800 thousand established for legal fees related to the McClendon lawsuit and \$150 thousand establish for costs related to ethics violation complaint investigations.
- The general government budget original expenditure budget increased \$1.2 million from \$2.1 million to \$3.3 million. The increase was attributed to \$1.2 million established for the County’s match obligation for various grants.
- The general government human resources (HR) original expenditure budget increased \$884 thousand from \$3.1 million to \$3.9 million. The increase was attributed to \$627 thousand established for HR training provided to county employees and \$150 thousand established for HR investigations.
- The general government general county original expenditure budget increased \$11 million from \$25.7 million to \$36.7 million. The increase was attributed to \$11 million of remaining encumbered purchase order budget swept into the general county line item as part of FY11 purchase order close out process in FY12. The general county category is contingency budget used to fund various projects during the year.
- The public works general county original expenditure budget decreased \$2.5 million from 3.8 to \$1.3 million. The decrease was attributed to line item transfers from this category to the general government general county category and the capital outlay category to be used as needed for various county projects.
- The public safety general county original expenditure budget increased \$3.1 million from \$33 thousand to \$3.1 million. The increase was primarily attributed to a line item transfer of \$3 million from the general government general county category to this category to establish budget for a public safety settlement.

- The public safety fire and rescue original expenditure budget increased \$1.8 million from \$16.2 million to \$18 million. The increase was attributed to a financial resolution to establish budget for eighteen new positions at fire station 29.
- The public safety metropolitan detention center (MDC) original expenditure budget decreased by \$1.5 million from \$59.2 million to \$57.7 million. The decrease was primarily attributed to line item transfers to the capital outlay category to establish budget for public safety projects and line item transfers to the information technology category to establish budget for salaries related to MDC support.
- The capital outlay original expenditure budget increased by \$8.9 million from \$7.1 million to \$16 million. The increase was primarily attributed to a \$1.3 million line item transfer from the general government general county category for Sheriff's Department fleet replacement. In addition, there was a \$1.3 million line item transfer from the general government general county category for the modernization of the Annex Building (Old Courthouse) on Tijeras NW. Additional expenditure budgets established included \$850 thousand for the renovation of the Assessor's Building, \$745 thousand for IT purchases for the new data center, \$750 thousand for MDC road and sanitary sewer, \$400 thousand for the MDC catwalk, \$796 thousand for purchase of a fire engine, \$450 thousand for body scanners, and \$250 thousand for a transport bus. In addition, budget was established for various other county projects.

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

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

Budgetary Highlights – Budget to Actual

General Fund. General Fund revenues exceeded budgetary estimates by \$21,869,395 or by 10%. General Fund expenditures were less than budgetary estimates by \$51,231,376 or by 18.6% thus eliminating the need to draw upon existing fund balance. During the year the County incurred an excess of revenues over expenditures and other financing sources in the amount of \$7,050,717. Individual significant differences between the General Fund final budget and actual amounts are summarized as follows:

- Property tax revenue had a positive variance of \$8,228,560. The budget projections estimated a 95% collection rate of current property taxes within the County as of June 30, 2012. The actual collection rate was 96%. The significant reason for the positive variance was that current property tax collections were \$4,789,239 greater than budget (4.7% of budget) and delinquent tax collections, interest on current and delinquent tax collections, and penalties on current and delinquent tax collections exceeded projections by \$3,439,321.
- Gross receipt tax (GRT) revenue had a positive variance of \$6,300,019. The variance was primarily attributed to conservative budget projections because of the slow recovery of the state economy. As was the case for the state, the County slipped into a recession in FY09, continued

well into FY10, and the recovery has slowly improved in FY11 and FY12. Also, in FY12 the county received its yearly equalization distribution from the state of \$2.3 million. In addition, there was an overall increase of 0.7% in taxable gross receipts reported by the state for Bernalillo County during the year from \$15 billion in FY11 to \$15.1 billion in FY12.

- Motor vehicle revenue had a positive variance of \$1,085,950. The variance was primarily attributed to more revenue realized in this line item than expected.
- Fees for services revenue had a positive variance of \$2,721,864. The variance was primarily attributed to the collection of clerk's fees of \$2.2 million and no established budget for this revenue in this category.
- Investment income revenue had a positive variance of \$6,320,024. The increase was in part attributed to a conservative budget estimate made by the County Treasurer as part of the biennial budget process. It can also be attributed to additional revenue to invest as a result of increased property tax and sales tax revenue in FY12. In addition, unrealized investment discount revenue of \$1.2 million was recognized and no budget was established for this line item in this category. Even though the economy was sluggish in FY12, the County was able to exceed its budgeted estimate as a result of excellent investment management performed by the County Treasurer and an investment committee which oversees investment strategy monthly.
- Miscellaneous revenue had a negative variance of \$2,209,775. The decrease was attributed to less than expected revenue related to general revenue.
- General government risk management expenditures had a positive variance of \$2,765,959. The variance was primarily attributed to lower than expected multi-line insurance premiums of \$1,832,997, less than expected expenditures for multi-line deductibles of \$38,109, less than expected expenditures for law enforcement officer liability claims of \$19,900 and less than expected expenditures for worker's compensation premiums in the amount of \$673,485.
- General government information technology expenditures had a positive variance of \$824,609 which was primarily attributed to less than expected expenditures for information technology related projects, for enterprise resource planning (ERP) support, for salary and wages, and for data processing equipment maintenance and repair.
- General government general county expenditures had a positive variance of \$25,873,627. The variance was primarily attributed to less than expected expenditures for contingencies of \$16,354,876, less than expected expenditures for contractual services of \$2,046,324, and less than expected expenditures for salary contingency of \$1,300,081. In addition, there were less than expected expenditures for county-wide projects of \$3,666,875 and less than expected expenditures for city mandates of \$625,608.
- Public works general county expenditures had a positive variance of \$ 1,297,033. The variance was attributed to budget established in this category as a holding bucket and transferred as needed to other line items within the public works category for public works projects leaving available budget which was not needed during the year.
- Public Safety metropolitan detention center (MDC) expenditures had a positive variance of \$4,679,364. A significant portion of the variance was attributed to less than expected

expenditures of \$5,163,084 for security operations at the MDC. The variance was offset by minor adjustments in various other operating categories which had a negative variance effect.

- Public Safety sheriff expenditures had a negative variance of \$1,397,569. A significant portion of the variance was attributed to more than expected expenditures of \$1,810,429 for judicial operations and more than expected expenditures of \$872,488 for administrative and payroll services. The variance was offset by less than expected expenditures of \$1,244,708 for field services.
- Health and welfare metropolitan detention center expenditures had a positive variance of \$1,002,994. The variance was attributed to less than expected expenditures for professional services related to health care services for MDC inmates.
- Capital outlay expenditures had a positive variance of \$10,587,858. The variance was primarily attributed to budgeted expenditures county-wide which never materialized or were less than expected during the year. These included positive variance for the following projects: \$626 thousand for maintenance of the Annex Building, \$794 thousand for maintenance of the Assessor's Office building, \$796 for replacement of a fire engine, \$694 thousand for parking lot pavement and maintenance, \$542 thousand for the Cordero Mesa transit line and pump station, \$506 thousand for the MDC road and sanitary sewer, \$982 thousand for the purchase of machinery and equipment, \$304 thousand for Sheriff replacement vehicles, and \$429 thousand for general fleet replacement. The remaining variance balance pertained to various other projects county-wide with less than expected expenditures than what was budgeted.

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

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

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business type activities as of June 30, 2012 amounts to \$576,184,094 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, construction in progress, and infrastructure. Each year the Board of County Commissioners updates the Capital Improvements Program (CIP) in order to plan both long and short range financing for the County's capital projects. The CIP process provides for the development and submittal of requests for the annual and six-year requests for the Capital Improvements Program. A wide range of public facilities and equipment is considered in the CIP. There are statutory requirements that provide for design, construction, major repair, reconstruction or replacement of facilities such as buildings, jails, courthouses, roadways, bridges, parks, and some heavy equipment. The County can use several types of funding for the CIP that includes General Obligation Bonds, Revenue Bonds, Special Assessment District Bonds, Federal grants and State grants and appropriations.

Citizen involvement is solicited to determine and prioritize the needs of the County by holding public meetings. The Board of County Commissioners holds periodic advertised meetings at various locations within each commission district to solicit public input and discuss the public's requests. Capital

improvement projects selected by the Board and adopted in the CIP that are to be funded by general obligation bonds are placed on the ballot in the next general election. The general obligation bond schedule is based on a two-year cycle and issuance is currently limited to \$20,100,000 dollars by the Board of County Commissioners in order to maintain the same property tax rate. Other Capital improvement projects are included in the State of New Mexico Infrastructure Program for funding consideration. Major capital asset events during the current fiscal year included the following:

- The Black Mesa Drainage project is a joint project with the U.S. Army Corps of Engineers, the County, and the Albuquerque Metropolitan Arroyo Flood Control Authority (AMAFCA) in the far southwest valley of the County. The project consists of providing a storm drain outfall for three AMAFCA dams (Don Felipe, Raymac, and McCoy) to the Rio Grande (Phase I) and the widening of the Isleta and Los Padillas Drains with a new pump station and surge pond at Malpais Road. The three governmental entities signed a project cooperation agreement for \$8.16 million. The Phase 1 outfall storm drain has been constructed from the Rio Grande to Coors Boulevard along Raymac Road; the storm drain from the three dams to the connection point at Raymac Road and Coors Boulevard will be constructed when additional Federal Section 593 funding becomes available.
- Construction was completed on the Unpaved Road Project, Phase I, which consisted of constructing Rider Road, Holiday Drive, Holiday Loop, Sweenhart Drive, Thunderbird Lane, Four Wheel Drive, and Sundance Kid Road in the East Mountain area in the fall of 2010. The cost of the project was \$1,479,000.
- Construction was completed on the Unpaved Road Project, Phase II, which consisted of constructing Isleta Boulevard, San Ygnacio Road, Rael Street, Clear Road, Pinto Place, Rosita Place, Onate Place, and Corfield Lane in the South Valley; and La Jara Road in the East Mountain area in the fall of 2011. The cost of the project was \$1,225,600.
- Construction was completed on the Unpaved Road Project, Phase III, which consisted of constructing Valle Hermosa Road, Primera Agua, Woodbriar Lane, Raven Road, and Skyland Boulevard in the East Mountain area; and Prince Street, Corte Eduardo, and Gardenia Street in the South Valley area in the fall of 2011. The cost of the project was \$1,349,300.
- County Wide Road Improvements Project, Phase I, is the fourth improvement to the unpaved roads. Construction is in progress and is scheduled to be completed in November 2012. The roads included in this project are: Frost Road, Kings Road, Anne Pickard Loop, Anne Pickard Court, San Pedro View, Juniper Drive, Cedar Lane, Canyon Road, Lakeview Drive, Kelly Lynn Drive, Marks Place, Fairview Drive, Skyline Drive, Skyline Drive West, North Court, Peacock Lane, Peacock Court, Big Dipper Road, Constellation Drive, Whippoorwill Lane, and East Ridge Road in the East Mountain area. The cost of the project is \$4,263,000.
- The Vista del Rio Project consists of drainage improvements which are intended to improve storm water drainage for the Vista del Rio Neighborhood, an area of approximately 150 acres of established residential and semi-rural development located within the Southwest Valley of the County. Infrastructure improvements include new road, curb and gutter, and storm drain with inlets. The storm water in the northern half of the project will be conveyed to the Sanchez Farm pond and storm water in the southern half of the project will be conveyed to a new pond just east of Perry Road. The project will be constructed in four phases; Phase I includes Mora Road, Phase II is Vito Romero Road, Phase III is Bonito Road, and Phase IV will include Perry Road, Vista del

Rio, Elena Drive, Rinconado Lane, a detention pond and pump station. Phase I was completed by TLC Construction at a cost of \$1.2 million, Phase II is under construction and will cost \$1.6 million, Phase III is in design and is estimated to cost \$1.3 million, Phase IV is estimated to cost \$5 million; all four phases will cost \$600 thousand to design and the total project cost will be \$9.6 million.

- The Southwest Valley Flood Reduction project is a joint project with the U.S. Army Corps of Engineers, the County, and the AMAFCA; the project consists of reconstruction and widening of the Isleta, Armijo, and Los Padillas Drains from Hooper Road to just south of Ro Bravo Boulevard to provide flood reduction in the Southwest Valley area of Bernalillo County. The project includes a channel connecting the Isleta and Los Padillas drains and an outfall channel from the Los Padillas drain through the Durand Open Space to the Rio Grande. The first phase of the project has been completed and the County and the AMAFCA are waiting for federal funding to complete the second phase. The total cost of the project is \$23 million, which will be shared by the Army Corps of Engineers at \$14.95 million, the County at \$4.025 million, and the AMAFCA at \$4.025 million.
- Construction was completed on the Arenal Road Project which consisted of a walkway on the north side of the street for pedestrians, upgraded crossings, and provision of signal improvements at the Tapia Road intersection. In addition, the project included bus bays on both sides of the street, drainage infrastructure, and pavement improvements. The project was completed in FY12 and the project cost was \$1,258,000.

County of Bernalillo’s Capital Assets

(net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$136,026,601	\$134,960,856	\$ 435,352	\$ 475,717	\$136,461,953	\$135,436,573
Buildings	180,301,986	175,807,067	2,729,726	2,888,209	183,031,712	178,695,276
Machinery and equipment	19,790,783	23,312,901	93,732	68,055	19,884,515	23,380,956
Land improvements	7,979,635	4,739,700	35,276	39,732	8,014,911	4,779,432
Infrastructure	162,945,084	168,053,907	-	-	162,945,084	168,053,907
Leasehold improvements	1,887,046	2,015,582	-	-	1,887,046	2,015,582
Construction in progress	61,424,198	61,395,074	-	-	61,424,198	61,395,074
Art	2,534,675	2,434,675	-	-	2,534,675	2,434,675
Total	\$572,890,008	\$572,719,762	\$3,294,086	\$3,471,713	\$576,184,094	\$576,191,475

Additional information on the County’s capital assets can be found in note IV-C. on pages 61-62 of this report.

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

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

General Obligation Bonds. At the end of the current fiscal year, the County had total general obligation debt outstanding of \$109,845,000. The County has outstanding general obligation bonds for capital facilities including road improvements, storm drain improvements, library books, public safety improvements and park facility improvements. General obligation bonds are backed by the full faith and credit of the County government and are supported by ad valorem taxes. The tax rate depends upon debt service schedules and property valuation and is set by the New Mexico Department of Finance and Administration. In fiscal year 2012, this tax is approximately \$0.897 per \$1,000 of assessed taxable value in ad valorem taxes to support general obligation bonds, which constitute direct and general obligations of the County. These bonds have retirement dates ranging from December 1, 2017 through June 15, 2032. The ratio of net general obligation bonded debt to taxable valuation and the amount of bonded debt per capita are useful indicators of the County's debt position. The State's Constitution provides for a legal debt limit of four percent (4.0%) of taxable valuation. The ratio for the County is less than one percent (0.7%) of the \$14.4 billion taxable value of property within Bernalillo County, as of June 30, 2012. The County may currently issue up to an additional \$468.3 million of general obligation bonds. The net general bonded debt per capita is \$159.78. The lowest per capita amount in the last ten fiscal years was \$129.92 in fiscal year ended June 30, 2006. The County's ratings on uninsured general obligation bonds as of June 30, 2012 were:

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

Revenue Bonds. At the end of the current fiscal year, the County had total revenue bond debt outstanding of \$142,985,000. The County has six outstanding revenue bonds: the 1996B series, the 1997 series, the 1998 refunding series, the 2005 partial refunding series, the 2010A series, and the 2010B refunding series. These bonds are payable from net pledged gross receipt tax revenues. Although the bonds are general obligations of the County, the County intends to pay the bonds solely from the net pledged revenues. The net revenue bonded debt per capita is \$213.10. The lowest per capita amount in the last ten fiscal years was \$213.10 in fiscal year ended June 30, 2012. The pledged revenue coverage of gross receipts tax revenues to debt service requirements is 4.69. The lowest pledged revenue coverage in the last ten fiscal years was 1.43 in fiscal year 2011. These bonds have retirement dates ranging from June 15, 2019 through June 15, 2029. The County's ratings on gross receipt tax revenue bonds as of June 30, 2012 were:

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

General Obligation and Revenue Bonds Outstanding

	Governmental Activities	
	2012	2011
General obligation bonds	\$ 109,845,000	\$ 97,835,000
Revenue bonds	142,985,000	155,120,000
Total	<u>\$ 252,830,000</u>	<u>\$ 252,955,000</u>

As presented above, the County's total outstanding bond debt decreased by \$125,000 during the current fiscal year. Additional information on the County's long-term debt can be found in note IV.F on pages 64-67 of this report and in the statistical section of this report.

Economic Factors and Next Year's Budgets and Rates

The County's Board of Commissioners and Manager considered many factors when setting the fiscal year 2013 budget. The County's operating budgeted appropriations were increased approximately 5.9 percent from FY12 levels based on these factors. According to forecasts by the University of New Mexico's Bureau of Business and Economic Research, the outlook for the New Mexico economy is slow gains and occasional losses. The recovery from the recession has been slow and muddled and there is weakness in the recovery of the New Mexico economy. Data from the Bureau of Labor Statistic's Current Employment Statistics suggests that New Mexico added about five thousand jobs in the first quarter of 2012, an increase of 0.6 percent. The forecast for the remainder of 2012 and for the next few years continues to anticipate employment growth but at a low rate. Employment is expected to grow by 1.0 percent in calendar 2012, 1.5 percent in 2013 and 1.6 percent through 2016. At this rate, New Mexico will not recover the nearly 45 thousand jobs lost during the "Great Recession" until late 2015. New Mexico personal income growth will continue to slow for the remainder of 2012, recover gradually in 2013, and exceed 5.0 percent in 2016. The unemployment rate has declined from a February 2012 rate of 7.2 percent to a rate of 6.5 percent in September 2012. It is anticipated that the unemployment rate we be at or above 6.0 percent through 2017. Rather than a result of job creation, the decline is the state's unemployment rate is due mainly to the continued decline in the size of the labor force.

The outlook for the Albuquerque MSA economy is slow improvement with the recovery from the recession gaining momentum in 2013 through 2015. Employment growth is forecast to grow 0.5 percent in 2012. From 2013 through 2015 it is anticipated that job gains will accelerate to 1.6% in 2013, 2.0% in 2014 and 2.1% in 2015. It is expected that employment growth will slow after that. Consistent with the national and state economic forecasts, the growth of personal income in Albuquerque is expected to slow in 2012. The outlook for personal income is growth of 2.7 percent in 2012; 2013 is expected to grow by 4.3 percent, 2014 by 5.0 percent, 2015 by 5.2 percent, and 2016 by 5.3 and then declining to 4.6 percent in 2017. The unemployment rate is forecast to be 7.5 percent in 2012, 7.2 percent in 2013, 6.9 percent in 2014, 6.5 percent in 2015, 6.3 percent in 2016 and 6.2 percent in 2017. The rate is much higher than the most recent low of 3.5 percent seen in 2007.

The Albuquerque MSA economy is forecast to add net jobs in 2012. Health care & social assistance is expected to add nearly 1400 jobs as more services are demanded by the growing, and aging, population, and as facilities such as the newly opened Rust Medical Center in Rio Rancho increase

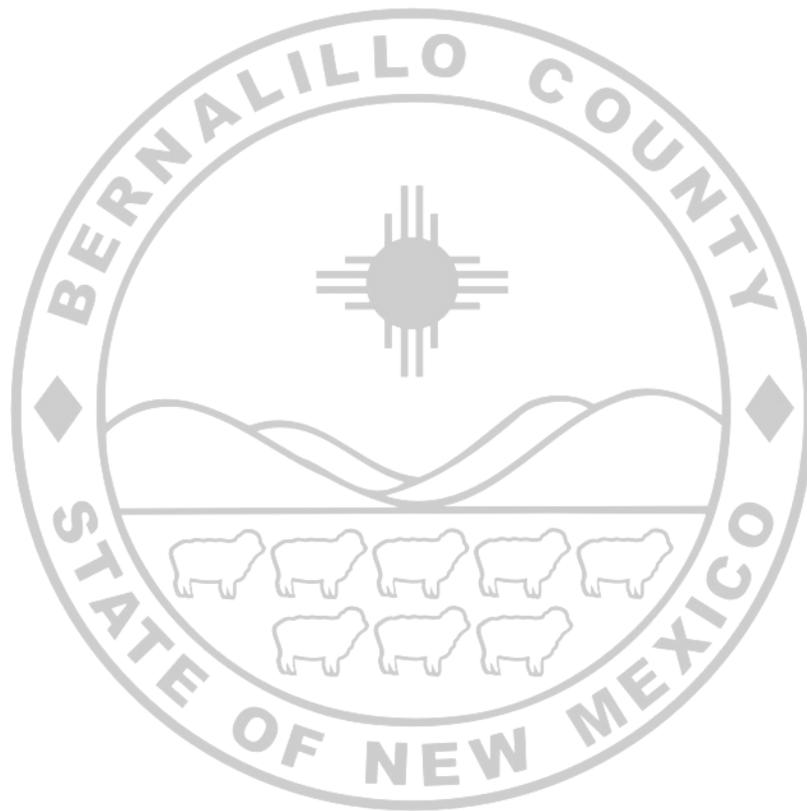
staffing to meet the demand. Administrative & waste services are expected to add 730 jobs, accommodation & food services is forecast to add 423 jobs, the professional & technical services sector is expected to add 347 jobs, retail trade is expected to add 281 jobs and six other sectors are forecast to add an additional 600 jobs. In total, nine sectors are forecast to lose job in 2012. The most significant is construction, which will continue to be depressed and lose 770 jobs. This will be the sixth consecutive year of job loss in the construction sector. The information sector is forecast to lose 508 jobs, the federal government will lose 306 jobs, the finance and insurance sector will lose 205 jobs, and the remaining five sectors will lose 322 jobs. The construction sector in Albuquerque looks down in 2012, but employment should increase from several major construction projects that are scheduled for 2012. Construction at the Winrock Town Center is expected to commence on a 16-screen IMAX cinema as well as three anchor restaurants. Work is expected to begin mid-year on the Village at Rio Rancho retail center where a 12-screen theatre complex will be built and just south of the Albuquerque Uptown shopping mall, construction has begun on a new target which is slated to open in 2013. In Albuquerque's South Valley, Admiral Beverage recently broke ground on a 219,000 square foot warehousing and distribution facility. In addition, Tres Amigas, which is the high-voltage utility project out of Clovis that will connect the western states' electric grids, plans to locate and build its headquarters and employee training center in the Albuquerque MSA. In summary, total employment growth is forecast to increase beginning in 2013 and continue to add jobs through 2017.

The number of total housing permits in Albuquerque, which experienced positive growth in 2010 and 2011, is expected to grow each year. However, even in 2017, total permits are forecast to be only 48 percent of the total at the peak of the market, which occurred in 2003 (1,833 in 2017 versus 5,719 in 2003). In addition, the mix of single family and multi-family units is expected to shift from 25-30 percent of all units being multi-family units to 30-35 percent of all units being multi-family units from 2013 to 2017.

In summary, the recovery of the Albuquerque MSA economy will be continued slow improvement in 2012 and increasing improvement in 2013 and continued improvement through 2015.

Request for Information

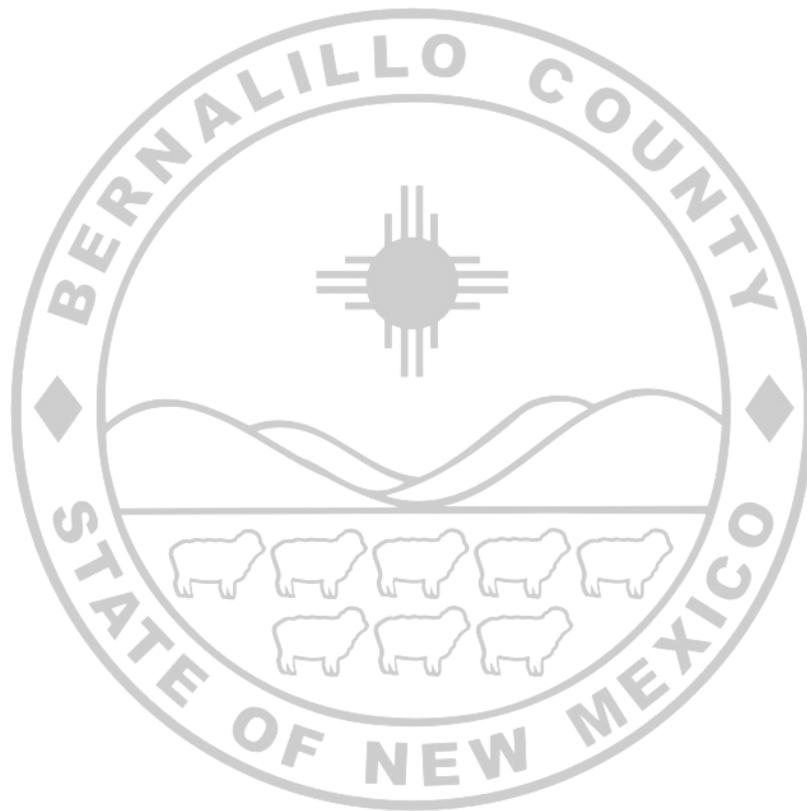
This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Deputy County Manager for Finance, One Civic Plaza, NW – 10th Floor,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



COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 299,902,097	\$ 4,587,583	\$ 304,489,680
Accounts receivable, net	38,647,919	1,985,533	40,633,452
Accrued interest receivable	1,588,086	562	1,588,648
Note receivable	185,959	-	185,959
Due from grantor	4,410,191	-	4,410,191
Internal balances	1,454,217	(1,454,217)	-
Inventory	842,159	4,729	846,888
Held for sale	-	135,400	135,400
Prepaid assets	2,052,385	-	2,052,385
Deferred charges	1,089,673	-	1,089,673
Cash-restricted	12,806,949	-	12,806,949
Investment in joint venture	633,000	-	633,000
Capital assets not being depreciated:			
Land	136,026,601	435,352	136,461,953
Art	2,534,675	-	2,534,675
Construction in progress	61,424,198	-	61,424,198
Capital assets (net of accumulated depreciation):			
Building	180,301,986	2,729,726	183,031,712
Land improvements	7,979,635	35,276	8,014,911
Machinery and equipment	19,790,783	93,732	19,884,515
Infrastructure	162,945,084	-	162,945,084
Leasehold improvements	1,887,046	-	1,887,046
Total assets	<u>936,502,643</u>	<u>8,553,676</u>	<u>945,056,319</u>
LIABILITIES			
Accounts payable	23,201,467	786,955	23,988,422
Interest payable	3,005,823	-	3,005,823
Accrued payroll	6,738,164	67,798	6,805,962
Unearned revenue	7,167,246	1,239,173	8,406,419
Due to grantor	-	135,400	135,400
Deposits held in trust for others	-	12,384	12,384
Noncurrent liabilities:			
Due within one year	17,001,907	45,992	17,047,899
Due in more than one year	268,602,823	465,022	269,067,845
Total liabilities	<u>325,717,430</u>	<u>2,752,724</u>	<u>328,470,154</u>
NET ASSETS			
Invested in capital assets, net of related debt	357,168,323	3,294,085	360,462,408
Restricted for:			
Public safety	1,312,612	-	1,312,612
Health and welfare	22,668,006	-	22,668,006
Debt service	6,299,769	-	6,299,769
Capital projects	26,812,547	-	26,812,547
General government	13,506,023	-	13,506,023
Reserve requirement	69,769,876	-	69,769,876
Unrestricted	113,248,057	2,506,867	115,754,924
Total net assets	<u>\$ 610,785,213</u>	<u>\$ 5,800,952</u>	<u>\$ 616,586,165</u>

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



**BERNALILLO COUNTY, NEW MEXICO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 57,591,475	\$ 10,234,551	\$ -	\$ 498,277	\$ (46,858,647)		\$ (46,858,647)
Public works	44,480,787	1,879,089	41,177	11,039,174	(31,521,347)		(31,521,347)
Public safety	145,585,157	2,216,401	10,895,045	-	(132,473,711)		(132,473,711)
Culture and recreation	12,755,946	962,705	841,106	-	(10,952,135)		(10,952,135)
Health and welfare	43,128,410	246,387	11,008,416	-	(31,873,607)		(31,873,607)
Interest on long-term debt	10,989,496	-	-	-	(10,989,496)		(10,989,496)
Total governmental activities	<u>314,531,271</u>	<u>15,539,133</u>	<u>22,785,744</u>	<u>11,537,451</u>	<u>(264,668,943)</u>		<u>(264,668,943)</u>
Business-type activities:							
Solid waste	4,841,418	4,755,515	171,700	-	-	\$ 85,797	85,797
Housing Authority	1,340,960	341,508	949,075	-	-	(50,377)	(50,377)
Seybold Village Handicapped Project	156,761	42,921	-	63,756	-	(50,084)	(50,084)
Regional Juvenile Detention Center	904,892	1,062,223	-	-	-	157,331	157,331
El Centro Familiar	404,057	218,642	161,839	-	-	(23,576)	(23,576)
Total business-type activities	<u>7,648,088</u>	<u>6,420,809</u>	<u>1,282,614</u>	<u>63,756</u>	<u>-</u>	<u>119,091</u>	<u>119,091</u>
Total primary government	<u>\$ 322,179,359</u>	<u>\$ 21,959,942</u>	<u>\$ 24,068,358</u>	<u>\$ 11,601,207</u>	<u>(264,668,943)</u>	<u>119,091</u>	<u>(264,549,852)</u>
General revenues:							
Property taxes					129,585,691	-	129,585,691
Gross receipts taxes					117,086,938	-	117,086,938
Motor vehicle taxes					3,778,892	-	3,778,892
Gas taxes					1,639,775	-	1,639,775
Investment income					19,404,077	6,336	19,410,413
Miscellaneous					6,931,763	558,253	7,490,016
Transfers					(116,800)	116,800	-
Capital contributions					-	167,166	167,166
Total general revenue and transfers					<u>278,310,336</u>	<u>848,555</u>	<u>279,158,891</u>
Change in net assets					<u>13,641,393</u>	<u>967,646</u>	<u>14,609,039</u>
Net assets - beginning					<u>597,143,820</u>	<u>4,833,306</u>	<u>601,977,126</u>
Net assets - ending					<u>\$ 610,785,213</u>	<u>\$ 5,800,952</u>	<u>\$ 616,586,165</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>General</u>	<u>Grants Fund</u>	<u>Construction Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 204,785,213	\$ 1,095,994	\$ 38,727,665	\$ 53,604,399	\$ 298,213,271
Accounts receivable, net	29,415,373	-	3,525,000	5,707,546	38,647,919
Accrued interest receivable	1,296,908	-	78,704	212,474	1,588,086
Note receivable	185,959	-	-	-	185,959
Due from grantor	-	4,410,191	-	-	4,410,191
Inventory	828,050	-	-	14,109	842,159
Advances to other funds	1,497,000	-	-	1,530,000	3,027,000
Cash - restricted	1,059,419	-	-	11,747,530	12,806,949
Total assets	<u>\$ 239,067,922</u>	<u>\$ 5,506,185</u>	<u>\$ 42,331,369</u>	<u>\$ 72,816,058</u>	<u>\$ 359,721,534</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 13,929,635	\$ 1,289,922	\$ 3,108,971	\$ 4,193,183	\$ 22,521,711
Accrued payroll	6,401,802	188,746	-	147,616	6,738,164
Deferred revenue	11,084,882	2,530,517	2,072	1,422,484	15,039,955
Due to other funds	592,379	-	-	75,783	668,162
Advances from other funds	-	1,497,000	-	-	1,497,000
Total liabilities	<u>32,008,698</u>	<u>5,506,185</u>	<u>3,111,043</u>	<u>5,839,066</u>	<u>46,464,992</u>
Fund balances:					
Nonspendable	3,570,428	-	-	13,291,639	16,862,067
Restricted	71,053,870	-	18,754,511	53,697,061	143,505,442
Committed	56,961,090	-	-	-	56,961,090
Assigned	38,909,238	-	20,465,815	-	59,375,053
Unassigned	36,564,598	-	-	(11,708)	36,552,890
Total fund balances	<u>207,059,224</u>	<u>-</u>	<u>39,220,326</u>	<u>66,976,992</u>	<u>313,256,542</u>
Total liabilities and fund balances	<u>\$ 239,067,922</u>	<u>\$ 5,506,185</u>	<u>\$ 42,331,369</u>	<u>\$ 72,816,058</u>	<u>\$ 359,721,534</u>

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

**COUNTY OF BERNALILLO, NEW MEXICO
RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

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

Total fund balance governmental funds (page 33)	\$ 313,256,542
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	572,890,008
Investments in joint ventures are not reported in the Governmental funds.	633,000
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,089,673
Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	1,601,449
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(285,604,730)
Accrued Interest Payable	(3,005,823)
Recognition of property tax revenue (less allowance for uncollectible accounts) on full accrual basis. Governmental funds recognize property tax revenue on the modified accrual basis.	9,925,094
Net assets governmental activities. (page 31)	<u>\$ 610,785,213</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	General	Grants Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 116,233,631	\$ -	\$ -	\$ 14,007,698	\$ 130,241,329
Sales	92,969,210	-	-	24,117,728	117,086,938
Motor vehicle	3,778,892	-	-	-	3,778,892
Gas	1,639,775	-	-	-	1,639,775
Intergovernmental					
Federal	512,554	5,596,114	-	11,026,169	17,134,837
State	-	9,126,127	261,955	1,742,021	11,130,103
Other	-	2,029,977	4,028,278	-	6,058,255
Licenses and permits	2,654,537	-	-	-	2,654,537
Fees for services	6,161,588	-	-	6,723,008	12,884,596
Investment income	18,195,206	-	284,953	923,918	19,404,077
Miscellaneous	5,337,824	128,645	-	1,094,834	6,561,303
Total revenues	247,483,217	16,880,863	4,575,186	59,635,376	328,574,642
EXPENDITURES					
Current:					
General government	47,300,336	-	1,096,378	4,316,879	52,713,593
Public works	26,848,810	515,571	721,113	370,261	28,455,755
Public safety	122,756,787	8,164,463	207,914	2,611,656	133,740,820
Health and welfare	8,588,261	225,501	-	32,197,181	41,010,943
Culture and recreation	9,360,398	552,140	317,106	397,446	10,627,090
Capital outlay	6,935,045	4,576,641	14,048,066	3,447,815	29,007,567
Intergovernmental - capital outlay	589,508	2,846,547	2,761,375	150,730	6,348,160
Debt service:					
Principal	-	-	-	18,445,000	18,445,000
Interest	-	-	-	11,779,759	11,779,759
Bond issuance cost	-	-	168,092	81,103	249,195
Total expenditures	222,379,145	16,880,863	19,320,044	73,797,830	332,377,882
Excess (deficiency) of revenues over expenditures	25,104,072	-	(14,744,858)	(14,162,454)	(3,803,240)
Other financing sources (uses)					
Transfers in	-	-	-	18,733,531	18,733,531
Transfers out	(10,621,105)	-	(4,821,250)	(3,407,976)	(18,850,331)
Refunding bonds issued	-	-	-	6,535,000	6,535,000
Bonds issued	-	-	18,600,000	-	18,600,000
Premium	-	-	508,779	619,803	1,128,582
Discount on revenue bond	-	-	-	(42,477)	(42,477)
Payment to escrow agent	-	-	-	(7,027,596)	(7,027,596)
Sale of capital assets	274,534	-	16,500	9,081	300,115
Total other financing sources (uses)	(10,346,571)	-	14,304,029	15,419,366	19,376,824
Net changes in fund balances	14,757,501	-	(440,829)	1,256,912	15,573,584
Fund balance - beginning	186,929,568	-	39,661,155	71,092,235	297,682,958
Restatement - changes in fund balance	5,372,155	-	-	(5,372,155)	-
Fund balance - beginning as restated	192,301,723	-	39,661,155	65,720,080	297,682,958
Fund balance - ending	\$ 207,059,224	\$ -	\$ 39,220,326	\$ 66,976,992	\$ 313,256,542

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

**COUNTY OF BERNALILLO, NEW MEXICO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

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

Net changes in fund balances total governmental funds (page 35)	\$ 15,573,584
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	286,298
The net effect of sale of capital assets is to increase net assets. In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of capital assets sold.	(116,052)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(655,638)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(499,314)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(947,485)
Change in net assets of governmental activities (page 32)	<u>\$ 13,641,393</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP Budgetary Basis)
GENERAL FUND
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 107,799,545	\$ 107,799,545	\$ 116,028,105	\$ 8,228,560
Sales	87,017,094	87,017,094	93,317,113	6,300,019
Motor vehicle	2,700,614	2,700,614	3,786,564	1,085,950
Gas	1,700,000	1,700,000	1,680,712	(19,288)
Intergovernmental - federal	500,000	500,000	512,554	12,554
Intergovernmental - other	6,600	6,600	-	(6,600)
Licenses and permits	3,218,450	3,218,450	2,654,537	(563,913)
Fees for services	3,589,883	3,589,883	6,311,747	2,721,864
Investment income	3,600,725	3,600,725	9,920,749	6,320,024
Miscellaneous	7,380,833	7,547,600	5,337,825	(2,209,775)
Total revenues	<u>217,513,744</u>	<u>217,680,511</u>	<u>239,549,906</u>	<u>21,869,395</u>
Other Financing Sources:				
Sale of assets	100,000	178,982	274,534	95,552
Total other financing sources	<u>100,000</u>	<u>178,982</u>	<u>274,534</u>	<u>95,552</u>
Total revenues and other financing sources	<u>217,613,744</u>	<u>217,859,493</u>	<u>239,824,440</u>	<u>21,964,947</u>
Prior year cash balance budgeted	<u>37,953,270</u>	<u>66,145,607</u>		
Total budget	<u>255,567,014</u>	<u>284,005,100</u>		
EXPENDITURES				
Current:				
General government:				
County commission	866,838	866,386	760,427	105,959
County manager	1,450,816	1,617,799	1,412,416	205,383
Legal	1,982,422	2,925,067	2,230,282	694,784
Public information	726,681	530,263	516,671	13,592
Assessor	3,265,327	3,215,499	2,551,492	664,007
Treasurer	2,458,176	2,458,110	2,183,597	274,513
Accounting	2,091,827	2,260,277	1,882,149	378,128
Risk management	6,868,518	6,681,975	3,916,016	2,765,959
Budget	2,102,185	3,323,776	2,534,271	789,505
Human resources	3,049,537	3,933,587	3,556,923	376,664
Information technology	8,951,659	8,750,880	7,926,271	824,609
Purchasing	1,241,340	1,248,218	1,237,045	11,173
General county	25,654,148	36,682,903	10,809,276	25,873,627
Solid waste	498,858	639,853	789,497	(149,644)
Social Services	500	8,000	6,125	1,875
Economic development	595,893	1,375,827	1,242,262	133,565
Zoning, building and environmental health	3,705,628	3,725,309	3,423,225	302,084
Clerk	4,385,223	4,378,354	3,972,480	405,874
Probate	177,204	204,021	178,921	25,100
Capital improvements	574,842	482,502	317,454	165,048
Total general government	<u>70,647,622</u>	<u>85,308,606</u>	<u>51,446,800</u>	<u>33,861,805</u>

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP Budgetary Basis)
GENERAL FUND
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Public works:				
General county	3,793,852	1,297,033	-	1,297,033
Solid waste	1,653,327	1,538,675	1,473,330	65,345
Division support	666,546	644,796	587,067	57,729
Fleet-facilities management	13,621,388	14,386,477	14,758,952	(372,475)
Operations and maintenance	4,086,615	4,082,870	3,904,171	178,699
Technical services	2,868,504	2,887,292	3,154,074	(266,782)
Planning and geo resources	2,630,527	2,935,896	2,594,471	341,425
Economic Development	-	13,562	13,562	-
Parks and recreation	275,206	216,300	302,030	(85,730)
Total public works	<u>29,595,965</u>	<u>28,002,901</u>	<u>26,787,657</u>	<u>1,215,244</u>
Public safety:				
Deputy County Manager for Public Safety	-	10,000	9,865	135
Information technology	1,040,210	1,174,528	1,031,782	142,746
General county	32,880	3,107,821	3,057,146	50,675
Fire and rescue	16,154,532	17,997,648	18,506,629	(508,981)
Office of emergency management	331,238	266,381	254,072	12,309
Metropolitan detention center	59,157,492	57,678,507	52,999,143	4,679,364
Animal care	1,131,680	1,643,422	1,510,180	133,242
Communications department	3,258,343	3,413,818	3,491,776	(77,958)
Sheriff	32,017,552	32,807,140	34,204,709	(1,397,569)
Youth services	7,004,706	7,113,281	7,030,706	82,575
Total public safety	<u>120,128,633</u>	<u>125,212,546</u>	<u>122,096,008</u>	<u>3,116,538</u>
Health and welfare:				
Accounting	-	67,000	50,648	16,352
General County	65,920	205,524	43,585	161,939
Solid waste	210,700	210,700	210,700	-
Metropolitan detention center	5,723,495	5,829,642	4,826,648	1,002,994
Social services	1,100,537	1,431,406	1,024,735	406,671
Zoning, building and environmental health	1,695,411	1,690,586	1,519,999	170,587
Parks and recreation	15,000	15,000	-	15,000
Housing	522,155	920,441	558,496	361,945
Total health and welfare	<u>9,333,218</u>	<u>10,370,299</u>	<u>8,234,811</u>	<u>2,135,488</u>
Culture and recreation:				
Deputy county manager for community services	-	525	525	-
Accounting	-	74,086	56,598	17,488
General county	111,049	126,049	111,049	15,000
Social services	7,770	190,453	86,974	103,479
Economic development	90,320	153,497	36,119	117,378
Parks and recreation	9,417,386	9,457,802	8,957,196	500,606
Total culture and recreation	<u>9,626,525</u>	<u>10,002,412</u>	<u>9,248,461</u>	<u>753,951</u>
Capital outlay	7,117,339	15,990,624	5,402,766	10,587,858
Intergovernmental capital outlay	-	-	589,508	(589,508)
Issue cost	150,000	150,000	-	150,000
Total expenditures	<u>246,599,302</u>	<u>275,037,388</u>	<u>223,806,011</u>	<u>51,231,376</u>
Other financing uses				
Transfers out	8,967,712	8,967,712	8,967,712	-
Total expenditures and other financing uses	<u>\$ 255,567,014</u>	<u>\$ 284,005,100</u>	<u>\$ 232,773,723</u>	<u>\$ 51,231,376</u>
Excess of revenues and other financing sources over expenditures and other financing uses			<u>\$ 7,050,717</u>	

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

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2012

	Business-type Activities	Governmental
	Enterprise Funds	Activities-
	Total	Internal
	Nonmajor	Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 4,587,583	\$ 1,688,826
Accounts receivable, net	1,985,533	-
Accrued interest receivable	562	-
Due from other funds	297,895	592,379
Inventory	4,729	-
Held for sale	135,400	-
Prepaid assets	-	2,052,385
	<u>7,011,702</u>	<u>4,333,590</u>
Total current assets		
Noncurrent assets:		
Capital assets:		
Land	435,352	-
Land improvements	44,559	-
Buildings	6,385,659	-
Equipment, machinery, and furniture	1,840,360	-
Less accumulated depreciation	(5,411,844)	-
Total noncurrent assets	<u>3,294,086</u>	<u>-</u>
Total assets	<u>10,305,788</u>	<u>4,333,590</u>
LIABILITIES		
Current liabilities:		
Accounts payable and other current liabilities	786,955	679,756
Compensated absences	45,992	-
Accrued payroll	67,798	-
Due to other funds	222,112	-
Due to grantor	135,400	-
Unearned revenue	1,239,173	2,052,385
	<u>2,497,430</u>	<u>2,732,141</u>
Total current liabilities		
Noncurrent liabilities:		
Compensated absences	465,022	-
Deposits held in trust for others	12,384	-
Advance from other funds	1,530,000	-
Total noncurrent liabilities	<u>2,007,406</u>	<u>-</u>
Total liabilities	<u>4,504,836</u>	<u>2,732,141</u>
NET ASSETS		
Invested in capital assets, net of related debt	3,294,085	-
Unrestricted	2,506,867	1,601,449
Total net assets	<u>\$ 5,800,952</u>	<u>\$ 1,601,449</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Business-type Activities	Governmental
	Enterprise Funds	Activities-
	Total	Internal
	Nonmajor	Service Funds
Operating revenues:		
Administrative and service fees	\$ 6,151,077	\$ 6,744,883
Rental income:		
Tenants	269,732	-
Other income	552,893	-
Total operating revenues	<u>6,973,702</u>	<u>6,744,883</u>
Operating expenses:		
Salaries and wages	1,801,086	-
Contractual services	4,839,825	6,744,883
Materials and supplies	151,930	-
Other services and charges	545,047	-
Miscellaneous expense	76,948	-
Depreciation	233,252	-
Total operating expenses	<u>7,648,088</u>	<u>6,744,883</u>
Operating income (loss)	<u>(674,386)</u>	<u>-</u>
Non-operating revenues (expenses):		
Interest income	6,336	-
Interest expense	(7,144)	-
Loss on sale of capital assets	(6,945)	-
Gain on sale of capital assets	19,449	-
Grants - subsidies	333,539	-
Other government grant subsidies	949,075	-
Total nonoperating revenue	<u>1,294,310</u>	<u>-</u>
Income (loss) before contributions	619,924	-
Capital - grant subsidies	63,756	-
Capital contributions - capital assets	167,166	-
Transfers in	262,700	-
Transfers out	<u>(145,900)</u>	<u>-</u>
Change in net assets	967,646	-
Total net assets - beginning	4,833,306	1,601,449
Total net assets - ending	<u>\$ 5,800,952</u>	<u>\$ 1,601,449</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Business-type Activities	Governmental
	Enterprise Funds	Activities-
	Total	Internal
	Nonmajor	Service Funds
Cash flows from operating activities:		
Receipts from administration and service fees	\$ 6,235,509	\$ 6,890,907
Receipts from rents	249,659	-
Receipts from other funds for goods and services	362,570	-
Payments to employees for services	(1,406,077)	-
Payments to vendors for goods and services	(6,193,165)	(6,847,650)
Payments to other funds for goods and services	(256,940)	-
Miscellaneous cash received	316,103	-
Net cash provided (used) by operating activities	<u>(692,341)</u>	<u>43,257</u>
Cash flows from noncapital financing activities:		
Operating grants/subsidies received	1,282,614	-
Contributions to other funds	(60,000)	-
Transfers in from other funds	262,700	-
Transfers out to other funds	(145,900)	-
Net cash provided by noncapital financing activities	<u>1,339,414</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Mortgage paid	(233,114)	-
Interest paid on bonds and mortgages	(7,144)	-
Disposal of capital assets	175,062	-
Acquisition of capital assets	(51,017)	-
Capital grants received	63,756	-
Net cash provided (used) by capital and related financing activities	<u>(52,457)</u>	<u>-</u>
Cash flows from investing activities:		
Interest received on investments	6,336	-
Net increase in cash and cash equivalents	600,952	43,257
Cash and cash equivalents, beginning of year	3,986,631	1,645,569
Cash and cash equivalents, end of year	<u>\$ 4,587,583</u>	<u>\$ 1,688,826</u>
Reconciliation of operating loss to net cash flows used by operating activities:		
Operating income (loss)	\$ (674,386)	\$ -
Adjustments to reconcile operating income to net cash flows:		
Depreciation expense	233,252	-
(Increase) decrease in:		
Accounts receivable	(950,824)	-
Allowance for uncollectable accounts	785,912	-
Inventory	7,091	-
Due from other funds	317,095	(47,616)
Prepaid expenses	-	(120,628)
Increase (decrease) in:		
Deferred revenue	14,605	120,628
Accounts payable	(182,186)	90,873
Due to other funds	(256,941)	-
Deposits held in trust	(2,636)	-
Tenants payable	(379)	-
Accrued compensated absences	17,056	-
Net cash flows provided (used) by operating activities	<u>\$ (692,341)</u>	<u>\$ 43,257</u>
Noncash investing, capital, and financing activities:		
Held for sale disposed	\$ (237,600)	-
Delivered to grantor	237,600	-
Donated building improvements	158,912	-
Donated equipment	8,254	-

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

COUNTY OF BERNALILLO, NEW MEXICO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2012

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 20,254,196
Receivables, net:	
Property taxes	40,359,941
Other	<u>3,711,450</u>
Total assets	<u><u>\$ 64,325,587</u></u>
LIABILITIES	
Deposits held in trust for others	\$ 20,421,614
Other	4,976
Future collectable taxes	<u>43,898,997</u>
Total liabilities	<u><u>\$ 64,325,587</u></u>

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



**COUNTY OF BERNALILLO, NEW MEXICO
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**COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

I. Summary of significant accounting policies

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

A. Reporting entity

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

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

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

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

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

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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

There are no component units during the fiscal year ended June 30, 2012.

B. Government-wide and fund financial statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Fiduciary fund financial statements are reported using the accrual basis of accounting and have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available*

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

when they are collectible within the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

Property taxes, gross receipts taxes, motor vehicle taxes, cigarette taxes, gasoline taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Derived gross receipts tax revenue is recognized when the underlying exchange transaction takes place. A small portion of the gross receipts tax revenue is derived from an estimate of delinquent taxes not yet collected and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

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

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

Additionally, the government reports the following fund types:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

government's risk management and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and/or delivering goods in connection with proprietary fund's principal ongoing operations. Approximately 89% of the operating revenues of the County's five proprietary funds consist of user and administrative fees.

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

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

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

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

**COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The County's cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments in the County's cash are stated at fair value using quoted market prices for financial statement purposes. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

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

2. Receivables and payables

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

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

All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to .07% of outstanding property taxes at June 30, 2012.

**COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

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

3. Inventories

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

4. Capital assets

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

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

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

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

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

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

5. *Restricted assets*

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

1. *Compensated absences*

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

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

7. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. *Net assets*

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

**COUNTY OF BERNALILLO, NEW MEXICO
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Investment in capital assets, net of related debt – This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

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

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

9. Fund balance classification

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

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form; for example inventories, prepaid amounts, long-term amount of loans and notes receivable or (b) legally or contractually required to be maintained intact; for example debt service reserves.

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

Committed - This classification includes amounts that can only be used for specific purposes to constraints imposed by formal action of the Board of County Commissioners, the County's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of County Commissioners removes or changes the specific use by taking the same type of action (for example resolution, ordinance) it employed to previously commit those amounts.

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

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

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

10. Cash flows

For purposes of the Statement of Cash Flows, the various enterprise funds consider all highly liquid assets (excluding restricted assets) with maturity of three months or less when purchased to be cash equivalents.

11. Bond premiums/issuance costs

In governmental fund types, bond premiums and issuance costs are recognized in the current period. Bond premiums are presented, separately as other financing sources.

12. Presentation

Certain reclassifications of prior year information have been made to conform to new GASB requirements.

13. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government –wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	
GO Bonds	\$ (109,845,000)
Revenue Bonds	(142,985,000)
Deferred amounts –Premium, Discounts, and Refunding	(4,253,545)
Compensated absences	<u>(28,521,185)</u>
Net adjustment to reduce fund balance – total governmental funds	
To arrive at net assets – governmental activities	<u>\$ (285,604,730)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, “Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 29,007,567
Capital outlay – Internal labor Included in operating expenses	1,021,093
Donated assets	186,397
Depreciation expense	<u>(29,928,759)</u>
Net adjustment to decrease net changes in fund balances – total	
Governmental funds to arrive at changes in net assets of	
Governmental activities	<u>\$ 286,298</u>

Another element of that reconciliation states that, “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of

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governmental funds. Neither transaction, however, has any effect on net assets. The details of this difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (18,600,000)
Issuance of revenue bonds	(6,535,000)
Bond issuance cost	249,195
Discount	42,477
Premium	(1,128,582)
Principal repayments:	
General obligation bonds	6,310,000
Revenue bonds	12,135,000
Payment to escrow agent	
Series 2003	6,815,000
Deferred charge refunding	212,596
Net adjustment to decrease net changes in fund balances –	
Total governmental funds to arrive at changes in net assets	
of governmental activities	<u>\$ (499,314)</u>

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

Compensated absences	\$ (1,451,722)
Accrued interest	286,076
Amortization of premium	504,187
Amortization of deferred charge on refunding	(82,666)
Amortization of bond discounts	(43,628)
Amortization of issuance cost	<u>(159,732)</u>
Net adjustment to decrease net changes in fund balances – total	
Governmental funds to arrive at changes in net assets of	
Governmental activities	<u>\$ (947,485)</u>

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

Property taxes receivable – current year	\$ 9,925,094
Property taxes receivable – prior year	<u>(10,580,732)</u>
Net adjustment to decrease net changes in fund balances – total	
Governmental funds to arrive at changes in net assets of	
Governmental activities	<u>\$ (655,638)</u>

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III. Stewardship, compliance and accountability

A. Budgetary information

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

Special Revenue:

Grants
Section 8 Housing – Vouchers
Sheriff’s Investigative Fund

Debt Service:

Series 1996B Reserve
Series 1997 Reserve
Refunding Series 1998 Reserve

All Capital Projects Funds

Proprietary Funds

Bernalillo County Housing Authority
Seybold Village Handicapped Project
El Centro Familiar

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

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

Transfers of appropriations within a fund may be made with cognizant Deputy County Manager or elected official approval. Increases or decreases in the budget of a fund or transfers of appropriations between funds must be presented to the County Commission for approval by resolution and must subsequently have DFA approval. Amendments made to the

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original budget are included in the budgetary comparison statements of this report, which reflect actual to budget.

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

Budgetary compliance – non GAAP financial statements

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

	<u>General Fund</u>
Net change in fund balance – GAAP basis	\$ 14,757,501
Remove additional funds	1,793,568
Net change in fund balance – GAAP basis	<u>16,551,069</u>
(Increase) decrease in assets:	
Accounts receivable	536,461
Due from other funds	
Accrued interest	(8,274,458)
Increase (decrease) in liabilities:	
Accounts payable	(2,604,761)
Deferred revenue	(205,526)
Accrued payroll	1,047,932
Net changes in fund balance – Budget to actual	\$ 7,050,717
Additional funds added to the General Fund	(2,457,026)
Net changes in fund balance	<u><u>4,593,691</u></u>

B. Deficit fund equity

There is an unassigned deficit fund balance in the Emergency Medical Services Fund of \$11,708. The County expects that FY13 state funding will be sufficient to cover the deficit. There is an unrestricted deficit balance of \$892,437 in the El Centro Familiar Fund. The County expects that the pay down in the “advance from other funds” and a FY13 subsidy from the general fund will be sufficient to cover the deficit.

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IV. Detailed notes on all funds

A. Cash and investments

As of June 30, 2012, the County had the following investments.

Investment Type	Fair Value	Weighted Maturity Average (Months)
Federal Farm Credit Agency	\$ 5,024,550	2.75
Federal Home Loan Bank	44,269,870	29.90
Federal Mortgage Acceptance Corp.	43,626,619	31.33
Federal National Mortgage Assoc.	106,064,982	69.71
Repurchase Agreements	16,681,279	8.41
Certificate of Deposits	5,000,000	0.05
Sandoval County Revenue Bond	4,412,320	0.04
Total fair value	<u>\$ 225,079,620</u>	
Portfolio weighted average maturity		2.51

Interest Rate Risk. The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

As of June 30, 2012, the County's investments in U.S. Agencies with the Federal Farm Credit Agency, the Federal Home Loan Bank, the Federal Mortgage Acceptance Corporation, and the Federal National Mortgage Association were all rated AAA by Moody's Investors Service and AA+ by Standard & Poor's.

Concentration of Credit Risk. The County's investment policy places no limit on the amount the County may invest in any one issuer. 2.2% of the County's investments are in Certificates of Deposit with the County's local banks with maturities ranging from 25 days to 6 months. The County's investments consist of U.S agencies of which 47.1% is with the Federal National Mortgage Association, 19.7% is with the Federal Home Loan Bank, 19.4% is with the Federal

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Mortgage Acceptance Corporation, 2.2% is with the Federal Farm Credit Agency; 7.4% is invested in Repurchase Agreements, and the remainder of 2.0% is invested in a Sandoval County Revenue Bond. Of the total investments of \$225,079,620, 27.5% is invested with the Oppenheimer & Co., Inc., 24.5% is invested with the Bank of Albuquerque, 11.8% is invested with Shearson Financial Services, LLC, 8.9 % is invested with Piper Jaffray & Co., and 5.6% is invested with Sterne, Agee & Leach, Inc.

Custodial Credit Risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. GASB Statement No. 40 requires that the following disclosure be made in respect to custodial credit risks relating to deposits and investments: \$5,000,000 of Bernalillo County's deposits with financial institutions were held in collateralized accounts. All Customer Deposit Accounts met or exceeded the state collateralized requirements.

As of June 30, 2012, all of the County's deposits met or exceeded the state collateralization requirements and were not exposed to collateral risk. All other balances are not exposed to any custodial risk. They are fully collateralized and the collateral is held in the County's name. The County's investments in U.S. Agencies carry the explicit guarantee of the U.S. Government. All are fully collateralized and the collateral is held in the County's name.

Additionally, as of June 30, 2012 those deposits along with the County's Federal Agency Securities were held by the safekeeping department of the Wells Fargo Trust. On September 30, 2011, KPMG LLP issued an unqualified opinion for the SSAE 16 requirement of Wells Fargo Trust Operations.

A reconciliation of cash and investments for the County follows:

Bank accounts	\$ 112,469,538
Petty cash on hand	1,667
Carrying amount of investments	<u>225,079,620</u>
Total cash and investments	<u>\$ 337,550,825</u>

Statement of Net Assets

Primary Government	
Cash and investments:	\$ 304,489,680
Cash-restricted	12,806,949
Statement of Fiduciary Net Assets	<u>20,254,196</u>
Total cash, investment	<u>\$ 337,550,825</u>

The County is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account (section

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6-10-17 NMSA 1978). Some deposits are collateralized at higher levels based on the State of New Mexico Treasurer's office risk assessment as required by 2.60.4.9 NMAC. The pledged collateral is stated at market value as of June 30, 2012.

Investment income. The County reported investment income of \$19,404,077, which consists of the following components:

	General Fund	Construction Fund	Non major Governmental Funds	Total Government Funds
Realized investment:				
Income	\$ 8,758,956	\$ 260,802	\$ 943,544	\$ 9,963,302
Discount	1,148,530	-	-	1,148,530
Unrealized:				
Investment discount	13,262	-	-	13,262
Gain/(loss)- investment accrual	(1,171,407)	24,151	(19,626)	(1,166,882)
Gain mark to market valuation	9,445,865	-	-	9,445,865
Net investment income	<u>\$ 18,195,206</u>	<u>\$ 284,953</u>	<u>\$ 923,918</u>	<u>\$ 19,404,077</u>

B. Receivables

	General Fund	Construction Fund	Non major Governmental Funds	Total Government Funds
Property taxes	\$ 11,014,409	\$ -	\$ 1,342,203	\$ 12,356,612
Gross Receipts Taxes	17,393,421	-	4,300,867	21,694,288
Gasoline Taxes	264,798	-	-	264,798
Motor Vehicle Tax	106,690	-	-	106,690
Transportation Fees	219,804	-	-	219,804
Special Assessments	83,431	-	-	83,431
Intergovernmental Due from other governments	638,335	-	-	638,335
	274,245	3,525,000	148,337	3,947,582
Other	455,944	-	1,500	457,444
Gross Receivables	<u>30,451,077</u>	<u>3,525,000</u>	<u>5,792,907</u>	<u>39,768,984</u>
Less: Allowance for Uncollectibles	(1,035,704)	-	(85,361)	(1,121,065)
Net total receivables	<u>\$ 29,415,373</u>	<u>\$ 3,525,000</u>	<u>\$ 5,707,546</u>	<u>\$ 38,647,919</u>

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	Enterprise Funds	Agency Funds
Property Taxes	\$ -	\$ 43,034,571
Solid Waste Fees	7,747,555	-
Special Assessments	-	145,022
Due from other governments	384,274	-
Other	-	3,566,428
Gross Receivables	8,131,829	46,746,021
Less: Allowance for uncollectibles	(6,146,296)	(2,674,630)
Net Total Receivables	<u>\$ 1,985,533</u>	<u>\$ 44,071,391</u>

The County maintains a receivable balance in the Solid Waste fund that consists of balances that are not expected to be collected within one year and which are deemed uncollectable. These balances, despite their unlikely collectability, are not extinguishable pursuant to Article IV, Section 32 of the New Mexico Constitution.

Note receivable

On April 27, 2004 the County Commission approved a \$200,000 loan to the Mid-Region Council of Governments (MRCOG) for renovations at the office building at 809 Copper Avenue NW which is owned by the County and leased to MRCOG under a lease purchase agreement. The money will be repaid over 15 years with interest at 3.9% and principal payments of \$1,470. The balance of this note was \$116,619 at June 30, 2012. The second note balance for \$69,340 with the Duran family is due in 30 years, with an interest rate of 6.5%. The total note receivable for June 30, 2012 is \$185,959.

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C. Capital assets

Capital asset activity for the year was as follows:

	Balance June 30, 2011	Increases	Decreases	Balance June 30, 2012
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 134,960,856	\$ 1,065,845	\$ (100)	\$ 136,026,601
Construction in progress	61,395,074	29,114,332	(29,085,208)	61,424,198
Art	2,434,675	100,000	-	2,534,675
Total capital assets, not being Depreciated	<u>198,790,605</u>	<u>30,280,177</u>	<u>(29,085,308)</u>	<u>199,985,474</u>
Capital assets, being depreciated:				
Buildings	293,818,105	16,447,790	-	310,265,895
Land improvements	5,036,981	3,825,591	-	8,862,572
Machinery and equipment	76,145,096	3,766,518	(2,336,686)	77,574,928
Infrastructure	284,106,120	4,980,189	-	289,086,309
Leasehold improvements	3,213,396	-	-	3,213,396
Total capital assets being Depreciated	<u>662,319,698</u>	<u>29,020,088</u>	<u>(2,336,686)</u>	<u>689,003,100</u>
Less Accumulated depreciation for:				
Buildings	(118,011,038)	(11,952,871)	-	(129,963,909)
Land improvements	(297,281)	(585,656)	-	(882,937)
Machinery and equipment	(52,832,195)	(7,172,684)	2,220,734	(57,784,145)
Infrastructure	(116,052,213)	(10,089,012)	-	(126,141,225)
Leasehold improvements	(1,197,814)	(128,536)	-	(1,326,350)
Total accumulated depreciation	<u>(288,390,541)</u>	<u>(29,928,759)</u>	<u>2,220,734</u>	<u>(316,098,566)</u>
Total capital assets, being depreciated, net	<u>373,929,157</u>	<u>(908,671)</u>	<u>(115,952)</u>	<u>372,904,534</u>
Governmental activities capital assets, net	<u>\$ 572,719,762</u>	<u>\$ 29,371,506</u>	<u>\$ (29,201,260)</u>	<u>\$ 572,890,008</u>

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	June 30, 2011	Increases	Decreases	June 30, 2012
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 475,717	\$ -	\$ (40,365)	\$ 435,352
Total capital assets, not being depreciated	<u>475,717</u>	<u>-</u>	<u>(40,365)</u>	<u>435,352</u>
Capital assets, being depreciated:				
Land improvements	44,559	-	-	44,559
Buildings	6,378,365	209,929	(202,635)	6,385,659
Machinery and equipment	1,899,429	48,169	(107,238)	1,840,360
Total capital assets being depreciated	<u>8,322,353</u>	<u>258,098</u>	<u>(309,873)</u>	<u>8,270,578</u>
Less accumulated depreciation for:				
Land improvements	(4,827)	(4,456)	-	(9,283)
Buildings	(3,490,156)	(206,304)	40,527	(3,655,933)
Machinery and equipment	(1,831,374)	(22,492)	107,238	(1,746,628)
Total accumulated depreciation	<u>(5,326,357)</u>	<u>(233,252)</u>	<u>147,765</u>	<u>(5,411,844)</u>
Total capital assets, being depreciated, net	<u>2,995,996</u>	<u>24,846</u>	<u>(162,108)</u>	<u>2,858,734</u>
Business-type activities capital assets, net	<u>\$ 3,471,713</u>	<u>\$ 24,846</u>	<u>\$ (202,473)</u>	<u>\$ 3,294,086</u>

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

Governmental activities:	
General government	\$ 4,647,872
Public safety	10,447,247
Culture and recreation	1,885,870
Public works	10,928,961
Health and welfare	2,018,809
Total depreciation expense-governmental activities	<u>\$ 29,928,759</u>
Business-type activities:	
Solid waste	\$ 28,511
Housing Authority	60,446
Seybold Village	44,915
El Centro Familiar	99,380
Total depreciation expense-business-type activities	<u>\$ 233,252</u>

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D. Interfund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2012, is as follows:

	Due To:			
	General Fund	Nonmajor Governmental Funds	Enterprise Funds	Total
Due From:				
Internal Service	\$ 592,379	\$ -	\$ -	\$ 592,379
Enterprise Funds	-	75,783	222,112	297,895
Total	<u>\$ 592,379</u>	<u>\$ 75,783</u>	<u>\$ 222,112</u>	<u>\$ 890,274</u>

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

Advances. For the purpose of financing cost-reimbursement grants, the general fund advanced the grants fund \$1,497,000 which is outstanding at June 30, 2012. The 2010B Debt Service Fund advanced the Housing Authority \$1,650,000 in FY10 which has an outstanding balance of \$1,530,000 at June 30, 2012.

During the year, the County makes various transfers of monies to fund debt service payments, capital projects, and to reimburse the General fund for cost incurred on behalf of other funds. Interfund transfers for the year ended June 30, 2012 were as follows:

	Transfer out:				
	General Fund	Construction Fund	Nonmajor Governmental Funds	Enterprise Funds	Total
Transfer in:					
Nonmajor funds	\$ 10,621,105	\$ 4,821,250	\$ 3,291,176	\$ -	\$ 18,733,531
Enterprise	-	-	116,800	145,900	262,700
Total	<u>\$ 10,621,105</u>	<u>\$ 4,821,250</u>	<u>\$ 3,407,976</u>	<u>\$ 145,900</u>	<u>\$ 18,996,231</u>

E. Leases

Operating Leases

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During the fiscal year ended June 30, 2012, the County leased equipment, and office space under operating leases. The County's expenditures on those leases for the fiscal year ended June 30, 2012, were \$996,942. The County's future minimum rental commitments, accounted for as operating leases at June 30, 2012, are as follows:

	Amount
2013	\$ 3,000
2014	<u>3,000</u>
Total	<u>\$ 6,000</u>

The County shares building expense on One Civic Plaza (City/County Building) on a year-to-year basis. A joint City/County annual operating budget for the building is established one month prior to the commencement of the fiscal year. During the year, the County, as lessor, leased various office spaces at a cost of approximately \$2.73 million and a carrying amount of \$1.4 million under operating leases. Rental revenue was \$233,422 and depreciation expense on those assets was \$94,332.

F. Long-term debt

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Balance			Balance	Amounts
	June 30, 2011	Additions	Deletions	June 30, 2012	Due within
					One Year
Governmental Activities:					
Bonds:					
G.O. bonds	\$ 97,835,000	\$ 25,135,000	\$ (13,125,000)	\$ 109,845,000	\$ 7,120,000
Revenue bonds	155,120,000	-	(12,135,000)	142,985,000	7,315,000
Deferred amounts:					
Bond premiums	5,008,072	1,128,582	(504,187)	5,632,467	-
Bond discounts	(535,737)	(42,477)	43,628	(534,586)	-
Refunding	(714,406)	(212,596)	82,666	(844,336)	-
Total bonds	<u>256,712,929</u>	<u>26,008,509</u>	<u>(25,637,893)</u>	<u>257,083,545</u>	<u>14,435,000</u>
Other liabilities:					
Compensated absences	<u>27,069,463</u>	<u>14,300,215</u>	<u>(12,848,493)</u>	<u>28,521,185</u>	<u>2,566,907</u>
Governmental activity					
Long-term liabilities	<u>\$ 283,782,392</u>	<u>\$ 40,308,724</u>	<u>\$ (38,486,386)</u>	<u>\$285,604,730</u>	<u>\$ 17,001,907</u>

COUNTY OF BERNALILLO, NEW MEXICO
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	Balance			Amounts	
	June 30, 2011	Additions	Deletions	Balance	Due within
				June 30, 2012	One Year
Business-type Activities:					
Compensated absences	\$ 493,958	266,245	(249,189)	511,014	\$ 45,992
Note payable	233,113	-	(233,113)	-	-
Business-type activity					
Long-term liabilities	\$ 727,071	\$ 266,245	\$ (482,302)	\$ 511,014	\$ 45,992

Compensated absences for governmental activities are generally liquidated by the general fund.

General Obligation (GO) Bonds are direct obligations of the County for which its full faith and credit are pledged and are payable from taxes levied on property located within the County. The County issues GO bonds to provide funds for the acquisition and construction of major capital facilities, and purchase of library books. Debt related to non-capital library books is \$5,763,499 and debt related to unspent proceeds is \$22,791,412. The GO bonds outstanding as of June 30, 2012 are comprised of the following issues:

Issue	Amount	Interest Rate	Final Maturity
Series 1997	\$ 4,655,000	4.75%	December 1, 2017
Series 1999	9,685,000	4.50%	August 1, 2019
Series 2004	3,029,000	4.00%-4.40%	October 15, 2021
Series 2005	5,290,000	3.75%-4.00%	February 1, 2020
Series 2005A	4,731,000	4.00%-5.00%	February 1, 2025
Series 2006	8,180,000	4.00%-4.25%	February 1, 2027
Series 2007	10,400,000	5.00%	August 1, 2027
Series 2007A	8,400,000	4.00%-4.35%	August 1, 2027
Series 2009	7,200,000	2.50%-4.50%	June 1, 2019
Series 2009A	9,250,000	1.50%-3.60%	December 1, 2020
Partial Refunding Series 2010	13,945,000	2.00%-4.00%	February 1, 2022
Series 2011	4,200,000	2.25%-4.00%	February 1, 2019
Advance Refunding 2012	6,480,000	2.00%-4.00%	June 15, 2023
Series 2012A	14,400,000	3.00%-4.00%	June 15, 2032
Total	<u>\$ 109,845,000</u>		

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The annual debt service requirement to maturity for general obligation bonds is as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2013	\$ 7,120,000	\$ 3,660,592
2014	7,905,000	3,406,885
2015	8,200,000	3,128,754
2016	8,495,000	2,820,584
2017	8,910,000	2,503,328
2018-2022	42,625,000	7,362,014
2023-2027	18,440,000	1,859,973
2028-2032	8,150,000	39,623
	<u>\$ 109,845,000</u>	<u>\$ 24,781,753</u>

The Gross Receipts Tax Revenue Bonds are limited obligations of the County, payable solely from gross receipts tax revenues. The gross receipts tax revenue bonds outstanding as of June 30, 2012 are comprised of the following issues:

Issue	Amount	Interest Rate	Final Maturity
Series 1996B	\$ 47,770,000	5.00%-5.70%	April 1, 2027
Series 1997	6,800,000	5.25%-5.75%	October 1, 2017
Refunding Series 1998	39,500,000	5.125%-5.25%	April 1, 2027
Partial Refunding Series 2005	40,280,000	4.00%-5.25%	October 1, 2026
Series 2010A	7,105,000	2.00%-4.00%	June 15, 2019
Refunding Series 2010B	1,530,000	2.00%-4.5%	June 15, 2029
	<u>\$ 142,985,000</u>		

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

Year Ending	Governmental Activities	
	Principal	Interest
2013	\$ 7,315,000	\$ 7,311,029
2014	8,005,000	6,964,497
2015	7,730,000	6,594,960
2016	8,635,000	6,198,816
2017	9,165,000	5,762,773
2018-2022	45,415,000	21,938,392
2023-2027	56,335,000	9,203,499
2028-2029	385,000	27,844
	<u>\$ 142,985,000</u>	<u>\$ 64,001,810</u>

**COUNTY OF BERNALILLO, NEW MEXICO
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At June 30, 2012, the following general obligation bonds were authorized and unissued.

Approved by Voters on	Purpose	Authorized
November 2, 2010	Storm Drain	<u>\$ 6,400,000</u>

Advance Refunding. On March 19, 2012 the County issued \$6,535,000 of general obligation bonds with an average rate of 3.308% to advance refund \$6,815,000 of the series 2003 bonds with an average interest rate of 4.378%. The net proceeds of \$7,027,596 (including a premium of \$619,804 and \$127,206 in underwriting discounts and issuance costs) were placed in escrow and called for redemption on June 15, 2012. As a result the bonds are considered defeased and the liability for those bonds have been removed from the government-wide statements of net assets. The difference between the cash flows required to service the old debt and the cash flow to service the new debts and complete the advance refunding is \$935,630. The Advance refunding resulted in an economic gain of \$837,501.

Prior Refunding. In prior years, the County defeased certain general obligation and gross receipts tax revenue bonds by placing cash in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At June 30, 2012, \$3,710,000 of general obligation bonds outstanding is considered defeased.

G. Short-term debt

Tax and Revenue Anticipation Notes

The County did not issue any tax and revenue anticipation notes (TRANs) during the year. The County issues TRANs in advance of property tax collections, depositing the proceeds in its general fund. These notes are used to finance current expenditures pending receipt of tax payments in May and November.

Short-term debt activity for the year ended was as follows:

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Governmental Activities:				
Tax anticipation notes	\$ 20,000,000	\$ -	\$ (20,000,000)	\$ -

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H. Special assessment bonds

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

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

The following is a summary of Special Assessment Bonds payable as of June 30, 2012:

Improvement Bonds	Interest Rate	Date Issued	Date Series Matures	Amount of Original Issue	Bonds Outstanding June 30, 2012
Comanche Griegos BC-83-1B	6.25%	12/03	12/15/23	\$2,085,000	\$1,260,000

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At June 30, 2011, the Second Street, East Mountain, Paradise Hills, South Valley, and Heatherland Hills special assessment bonds had been fully paid. The remaining potential assets were as follows:

	Second Street BC-85-3	East Mountain BC-85-4	Paradise Hills BC-84-2	South Valley BC-84-1	Heatherland Hills BC-85-5
Accounts receivable:					
Billed, but uncollected	\$ 1,804	\$ 10,120	\$ 15,073	\$ 55,475	\$ 959

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

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

I. Conduit debt

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

Industrial Revenue Bonds

In fiscal year 2012, the County issued five new Industrial Revenue Bonds. As of June 30, 2012, there were fifteen series of Industrial Revenue Bonds outstanding with an original issue amount of \$187,696,000. The remaining principal balance outstanding as of June 30, 2012 is \$67,565,668.

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Multifamily Housing Revenue Bonds

From time to time, the County has issued Multifamily Housing Revenue Bonds to provide financial assistance to private sector entities for the acquisition, construction and rehabilitation of commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State of New Mexico, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2012, there were seven series of project revenue bonds with an original issue amount of \$29,975,000. The remaining outstanding principal balance as of June 30, 2012 is \$29,011,138.

New Mexico Non-profit Corporation Project Revenue Bond

In fiscal year 2012 the County has two project revenue bond for the YMCA of New Mexico Project and MRCOG project with an total issue amount of \$6,385,449. The remaining principal balance as of June 30, 2012 is \$5,843,504.

J. Fund balance reservations

The New Mexico Department of Finance and Administration (DFA) requires that 3/12 of the FY13 budgeted expenditures in the general fund be restricted as subsequent-year expenditures to maintain an adequate cash flow until the next significant property tax collection. The DFA required reserve balance for FY12 is \$69,769,876. Another portion of the general fund balance is assigned for subsequent years' expenditures in the amount \$38,909,238 which includes \$15,682,513 assigned for unencumbered carryover, \$5,632,372 assigned for GO debt service reserve, \$5,000,000 assigned for land acquisition, \$1,500,000 assigned for economic development, \$2,000,000 assigned for little league fields, \$6,803,587 assigned for infrastructure/buildings, \$715,766 for general contingency, \$1,500,000 for the Los Estancias project, and \$75,000 for the Lowes LEDA project. In addition, \$36,564,598 is classified as unassigned to comply with the County's minimum fund balance policy of 2/12 of the prior year operating expenditures to be used for cash flow and emergency contingencies. The remainder of the general fund balance is classified as nonspendable, restricted, or committed for other expenditures.

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K. Fund balance purpose

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

	General	Construction Fund	Other Funds	Total Funds
Fund Balance				
Nonspendable				
Notes receivable	\$ 185,959	\$ -	\$ -	\$ 185,959
Advances to other funds	1,497,000	-	1,530,000	3,027,000
Inventory	828,050	-	14,109	842,159
Debt service - restricted	1,059,419	-	11,747,530	12,806,949
Restricted				
Reserve requirement	69,769,876	-	-	69,769,876
Grant match funds	1,283,994	-	-	1,283,994
Debt service	-	-	5,829,188	5,829,188
Road bonds	-	10,553,869	-	10,553,869
Public Safety:				
Bonds	-	2,594,318	-	2,594,318
Fire protection	-	-	277,903	277,903
Sheriffs	-	-	535,202	535,202
DSAP	-	-	462,127	462,127
Law enforcement	-	-	34,979	34,979
Healthcare	-	-	17,396,569	17,396,569
Environmental services	-	-	3,196,634	3,196,634
Infrastructure	-	418,957	4,637,536	5,056,493
Open space	-	-	5,746,097	5,746,097
Valuation	-	-	12,966,318	12,966,318
Housing services	-	-	2,074,803	2,074,803
Library	-	1,213,362	-	1,213,362
Parks bonds	-	1,548,387	-	1,548,387
Clerks - recording	-	-	539,262	539,262
Other purposes	-	2,425,618	443	2,426,061
Committed				
Finance Contingency	15,795,278	-	-	15,795,278
Public works Contingency	6,269,276	-	-	6,269,276
MDC - Public Safety	12,099,641	-	-	12,099,641
Social services programs	1,148,654	-	-	1,148,654
Public safety equipment replacemen	3,390,474	-	-	3,390,474
Fleet replacement	1,626,938	-	-	1,626,938
Infrastructure	1,645,810	-	-	1,645,810
New technology	6,557,270	-	-	6,557,270
Fixed assets and landfill gas project	94,143	-	-	94,143
Housing subsidy	814,261	-	-	814,261
New position requests	502,306	-	-	502,306
Sheriff deputies positions	628,115	-	-	628,115
Helicopter - metro air	1,300,000	-	-	1,300,000
Regional correctional center	3,606,127	-	-	3,606,127
PILT	1,297,084	-	-	1,297,084
Community services	60,662	-	-	60,662
Various projects	125,051	-	-	125,051

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	General	Construction Fund	Other Funds	Total Funds
Fund Balance - continued				
Assigned				
Subsequent years expenditures	15,682,513	-	-	15,682,513
GO debt service reserve	5,632,372	-	-	5,632,372
Land acquisition	5,000,000	-	-	5,000,000
Economic development	1,500,000	-	-	1,500,000
North Valley Little League	2,000,000	-	-	2,000,000
Infrastructure/buildings	6,803,587	-	-	6,803,587
Road	-	2,269,134	-	2,269,134
Storm drain	-	4,739,673	-	4,739,673
Water, wastewater projects	-	12,290,350	-	12,290,350
General contingency	715,766	-	-	715,766
Los Estancias	1,500,000	1,166,658	-	2,666,658
Lowes LEDA	75,000	-	-	75,000
Unassigned				
Minimum fund balance policy	36,564,598	-	-	36,564,598
Unassigned balance	-	-	(11,708)	(11,708)
	<u>\$ 207,059,224</u>	<u>\$ 39,220,326</u>	<u>\$ 66,976,992</u>	<u>\$ 313,256,542</u>

L. Net assets restricted by enabling legislation

The government-wide statement of net assets reports \$140,368,833 of restricted net assets, of which \$20,348,488 is restricted by enabling legislation.

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M. Financial data schedule reconciliation

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

<u>Net Assets</u>	<u>Amount</u>
Net Assets - Housing Choice Vouchers 14.871	\$ 1,877,187
Compensated Absences	197,616
Fund balance - Section 8 Housing - Vouchers	<u>\$ 2,074,803</u>

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

<u>Net Assets</u>	<u>Amount</u>
Net Assets – Central Office	\$ 3,098,992
Net Assets – Home Rehabilitation	77,419
Net Assets – Housing Authority	<u>3,176,411</u>
Compensated Absences	(197,616)
Fund balance – Housing Authority	<u>\$ 2,978,795</u>

Department of Substance Abuse Financial Data Schedule

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

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V. Other information

A. Risk management

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

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

The Workers' Compensation Pool provides workers' compensation coverage for every County employee. There are 31 counties in this pool, which for the fiscal years that ended June 30, 2012, 2011, and 2010 contributed a total of \$7,735,091, \$7,678,065 and \$7,632,534 respectively. The premium that each county pays depends upon the payroll total and the loss experience specific to that county. Bernalillo County has a self-insurance retention of \$400,000 (maximum amount paid for each insured event before using insurance) and \$1,750,000 annual aggregate limit, thus dramatically reducing Bernalillo County's annual pool contribution. For the fiscal years that ended June 30, 2012, 2011 and 2010, the County contributed \$664,839, \$633,180 and \$613,354 respectively. In addition to premiums, Bernalillo County maintains a reserve fund for each fiscal year to service open claims that are less than the self-insured retention limit.

The Multi-line Pool provides property and casualty coverage for 28 counties. The coverage includes buildings and contents, automobile physical damage and liability, general liability, personal injury, employee benefits liability, public officials' errors and omissions, crime, fuel storage tanks, and boiler and machine coverage. Premiums for the Multi-line Pool are paid for the calendar year. For calendar years 2012, 2011, and 2010, participating counties contributed a total of \$7,214,238, \$7,080,611 and \$6,987,022 respectively. For calendar years 2012, 2011, and 2010, Bernalillo County contributed \$1,671,288, \$1,611,393, and

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\$1,334,130 respectively. For each calendar year, a reserve fund is kept to pay deductibles for open multi-line claims.

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

The Law Enforcement Pool provides coverage for law enforcement activities and liabilities, which includes the Sheriff's Department, the Metropolitan Detention Center, and the Youth Services Center. Currently, the pool provides coverage for 28 members. For calendar years 2012, 2011, and 2010, participating counties contributed a total of \$9,136,377, \$8,999,962, and \$8,431,282 respectively. For calendar years 2012, 2011, and 2010, Bernalillo County contributed \$2,384,550, \$2,228,552, and \$1,937,871 respectively. For each calendar year, a reserve fund is kept to pay deductibles for law enforcement liability claims.

The pooling agreements require the pools to be self-sustaining. The Pool Boards retain one year's budget in surplus prior to considering an equity distribution to the participating counties. The pools retain the risk of loss to be shared proportionately by pool participants. Bernalillo County does not retain the sole risk of losses incurred. For the fiscal years that ended June 30, 2012, 2011, and 2010, there were no payments in excess of the annual premium contributions for self-sustainment of the insurance pools.

The New Mexico County Insurance Authority has published its own financial report for the fiscal year ended June 30, 2012, which can be obtained from the New Mexico Association of Counties, 613 Old Santa Fe Trail, Santa Fe, New Mexico, 87501. (<http://www.nmcounties.org/>)

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

B. Construction and other significant commitments

Construction commitments. At June 30, 2012 the County is committed to \$19,820,007 under construction contracts for capital assets.

Litigation. The County is a defendant in various lawsuits. The outcome of these lawsuits are not presently determinable and the County is not able to make an estimate for possible losses at this time. Insurance deductibles related to outstanding claims are \$10,000 per claim. Occasionally, the County or its elected officials are named as parties to suits that are not covered by any insurance policy and the County's Attorney's Office provides

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representation for such claims. At present there are two pending claims that are not covered by insurance. Both involve permitting issues; in one case, the potential monetary damages likely will not exceed \$50,000, and in the other, damages may range between \$100,000 to \$200,000.

Grant Compliance. The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantor. As of June 30, 2012, management estimates that no material liabilities will result from such audits.

County Medicaid 1/16 Gross Receipts Tax Equivalent. Under State Statute Section 27-10-4, NMSA 1978 Compilation, a county which does not enact an ordinance imposing a county health care gross receipts tax pursuant to State Statute Section 7-20E-18, NMSA 1978 Compilation is required to dedicate to the county-supported Medicaid fund “an amount equal to a gross receipts tax rate of 1/16 of one percent applied to the taxable gross receipts tax reported during the prior fiscal year by persons engaging in business in the county.” To comply with the statute, the County imposed a 1/16 percent increase in gross receipts tax during the second half of FY07 and will continue to impose the tax in FY13 which will generate approximately \$10 million annually.

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

General fund	\$ 2,339,149
Grants fund	1,042,609
Construction fund	6,406,569
Nonmajor governmental	1,812,545
Total	\$ <u>11,600,872</u>

C. Joint ventures

Regional Juvenile Detention Center. Through a Joint Powers Agreement established between Bernalillo County and Sandoval County on June 26, 2007, Bernalillo County operates the Regional Juvenile Detention Facility (RJDC) located at the Bernalillo County Youth Services Center. Sandoval County contributes 100 percent of the operation costs of the RJDC. For FY12, Sandoval County paid \$1,062,223 million to Bernalillo County for the operation of the RJDC. Sandoval County receives 70% and Bernalillo County receives 30% of all cost of care revenues generated from housing juveniles in the RJDC from other counties and pueblos. The total cost of care revenues billed in FY12 was \$563,059 and

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\$553,344 of this amount has been received to date which includes \$1,764 for medical costs. Bernalillo County receives 100% of all medical costs billed under these cost of care agreements.

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

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

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

D. Post-Employment Benefits - Retiree Health Care Plan

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

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan.

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That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee is required to contribute .917% of their salary. In the fiscal years ending June 30, June 2013 the contributions rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contributions will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY13	2.0%	1.0%

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3, 4, and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978] during the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 2.292% of each participating employee's annual salary, and each participating employee was required to contribute 1.146% of their salary. In the fiscal years ending June 30, 2013 the contributions rates for both employees and employers will rise as follows:

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

Also, employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals. The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

**COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

The Bernalillo County's contributions to the RHCA for the years ended June 30, 2012, 2011 and 2010 were \$2,072,085, \$1,723,830 and \$1,184,196, respectively, which equal the required contributions for each year.

E. Pension Plan – Public Employees Retirement Association

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

Funding Policy. Plan members are required to contribute 9.15-16.65% of their gross salary. The County is required to contribute 9.15-21.25% depending upon the division of the gross covered salary. The contribution requirements of plan members and the County are established state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The County’s contributions to PERA for the years ending June 30, 2012, 2011, and 2010 were \$14,013,271, 12,882,327 and \$12,347,340, respectively, which equal the amount of the required contributions for each year. In accordance with Chapter 10, Article 11, Section 5 NMSA 1978, the County has elected to make contributions of seventy-five percent of its employees’ member contributions under the General-management, blue collar, white collar, sheriff, fire and detention plans. The following table outlines the divisions the County participates in and the contributions for the year ending June 30, 2012.

Covered Division	<u>Employee</u>		<u>Employer</u>	
	Percent	Dollars	Percent	Dollars
General-management, blue collar and white collar	13.15%	\$6,917,234	9.15%	\$4,813,133
General-other	9.15	29,421	9.15	29,422
Sheriff	16.30	2,459,672	18.50	2,791,652
Fire	16.20	1,674,841	21.25	2,196,936
Detention	16.65	3,338,299	16.65	3,338,299
Retired employees			9.15-21.25%	843,824

**COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

F. Significant effects of subsequent events

On November 6, 2012, the following general obligation bonds were approved by voters.

Approved by Voters on	Purpose	Authorized
November 6, 2012	Road Bonds	\$ 10,000,000
November 6, 2012	Storm Drain	2,500,000
November 6, 2012	Public Safety	3,500,000
November 6, 2012	Parks and Recreation	1,800,000
November 6, 2012	Library	1,300,000
November 6, 2012	Facility Improvement	1,000,000
Total		<u>\$ 20,100,000</u>

G. Fund balance – Change in fund structure

Per the Governmental Accounting Standards Board (GASB), governments should discontinue reporting a special revenue fund, and instead report the fund’s remaining resources in the general fund, if the government no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources. In FY11, a substantial portion of the Regional Correction Center fund’s inflow was derived from restricted or committed revenue sources. In FY12, the fund’s remaining resources did not meet the definition of a special revenue fund as the fund met its purpose in FY11. As a result and in compliance with GASB, the fund was combined with the general fund resulting in the General Fund beginning balance increasing from \$186,929,568 to 192,301,723, a \$5,372,155 increase in beginning fund balance.



COUNTY OF BERNALILLO, NEW MEXICO

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Recreation. To account for recreational funds. Financing is provided by cigarette taxes. The fund was created by authority of state statute (see Section 7-12-15, NMSA 1978 Compilation).

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

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

Valuation. To account for fees collected from “revenue recipients” pursuant to Section 7-38-38.1, NMSA 1978 Compilation. Expenditures from the county property valuation fund may be made pursuant to a property valuation program presented by the county assessor and approved by the majority of the County Commissioners.

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

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

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

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

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

COUNTY OF BERNALILLO, NEW MEXICO
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

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

COUNTY OF BERNALILLO, NEW MEXICO

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

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

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

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

- Series 1996B – Public Buildings
- Series 1997 – Public Facilities
- Refunding Series 1998 – Courthouse
- Refunding Series 2005 – Public Facilities
- Series 2008A – Public Buildings
- Series 2009A – Public Buildings
- Series 2010A – Public Facilities
- Refunding Series 2010B – Public Buildings

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

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

CAPITAL PROJECTS FUNDS

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

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



**COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2012**

Special Revenue

	<u>Recreation</u>	<u>Environmental Health</u>	<u>Health Care GRT</u>	<u>Valuation</u>	<u>Fire Districts</u>	<u>Emergency Medical Services</u>	<u>Sheriff's Investigative Fund</u>
ASSETS							
Cash and investments	\$ 5,647	\$ 2,884,417	\$ 16,546,903	\$13,193,579	\$ 494,982	\$ 18,395	\$ 535,202
Accounts receivable, net	-	476,604	1,958,387	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-	-
Cash-restricted	-	-	-	-	-	-	-
Inventory	-	-	-	-	14,109	-	-
Advances to other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 5,647</u>	<u>\$ 3,361,021</u>	<u>\$ 18,505,290</u>	<u>\$13,193,579</u>	<u>\$ 509,091</u>	<u>\$ 18,395</u>	<u>\$ 535,202</u>
LIABILITIES							
Accounts payable	\$ 5,647	\$ 91,871	\$ 1,078,589	\$ 158,572	\$ 217,079	\$ 30,103	\$ -
Accrued payroll	-	-	15,669	68,689	-	-	-
Unearned revenue	-	72,516	259,178	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>5,647</u>	<u>164,387</u>	<u>1,353,436</u>	<u>227,261</u>	<u>217,079</u>	<u>30,103</u>	<u>-</u>
FUND BALANCES							
Advances to other funds	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	14,109	-	-
Restricted	-	3,196,634	17,151,854	12,966,318	277,903	-	535,202
Unassigned	-	-	-	-	-	(11,708)	-
Total fund balances (deficit)	<u>-</u>	<u>3,196,634</u>	<u>17,151,854</u>	<u>12,966,318</u>	<u>292,012</u>	<u>(11,708)</u>	<u>535,202</u>
Total liabilities and fund balances	<u>\$ 5,647</u>	<u>\$ 3,361,021</u>	<u>\$ 18,505,290</u>	<u>\$13,193,579</u>	<u>\$ 509,091</u>	<u>\$ 18,395</u>	<u>\$ 535,202</u>

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

**COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2012**

Special Revenue

	Law Enforcement Protection	Farm and Range	County Indigent	Clerk's Recording & Filing	Section 8 Housing- Voucher	Department of Substance Abuse	Special Revenue Total
ASSETS							
Cash and investments	\$ 65,392	\$ 443	\$ 235,769	\$ 674,659	\$ 2,396,144	\$ 428,921	\$37,480,453
Accounts receivable, net	-	-	1,865,876	-	80,149	68,188	4,449,204
Accrued interest receivable	-	-	-	-	-	-	-
Cash-restricted	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	14,109
Advances to other funds	-	-	-	-	-	-	-
Total assets	\$ 65,392	\$ 443	\$2,101,645	\$ 674,659	\$ 2,476,293	\$ 497,109	\$41,943,766
LIABILITIES							
Accounts payable	\$ 30,413	\$ -	\$ 1,856,930	\$ 135,397	\$ 281,255	\$ 30,507	\$ 3,916,363
Accrued payroll	-	-	-	-	44,452	4,475	133,285
Unearned revenue	-	-	-	-	-	-	331,694
Due to other funds	-	-	-	-	75,783	-	75,783
Total liabilities	30,413	-	1,856,930	135,397	401,490	34,982	4,457,125
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	14,109
Restricted	34,979	443	244,715	539,262	2,074,803	462,127	37,484,240
Unassigned	-	-	-	-	-	-	(11,708)
Total fund balances (deficit)	34,979	443	244,715	539,262	2,074,803	462,127	37,486,641
Total liabilities and fund balances	\$ 65,392	\$ 443	\$2,101,645	\$ 674,659	\$ 2,476,293	\$ 497,109	\$41,943,766

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

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2012

	Debt Service								
	General Obligation Bond Debt Service	Series 1996B Debt Service	Series 1996B Reserve	Series 1997 Debt Service	Series 1997 Reserve	Refunding Series 1998 Debt Service	Refunding Series 1998 Reserve	Refunding Series 2005 Debt Service	Series 2008A Debt Service
ASSETS									
Cash and investments	\$ 2,475,756	\$ 949,565	\$ -	\$ 451,095	\$ -	\$ 445,205	\$ -	\$ 455,267	\$ 188,460
Accounts receivable, net	1,125,995	-	-	-	-	-	-	-	-
Accrued interest receivable	11,664	86,363	-	23,855	-	70,494	-	1,643	-
Cash-restricted	-	-	5,438,448	-	1,693,500	-	4,615,582	-	-
Inventory	-	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 3,613,415</u>	<u>\$ 1,035,928</u>	<u>\$ 5,438,448</u>	<u>\$ 474,950</u>	<u>\$ 1,693,500</u>	<u>\$ 515,699</u>	<u>\$ 4,615,582</u>	<u>\$ 456,910</u>	<u>\$ 188,460</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-	-	-
Unearned revenue	977,818	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	<u>977,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Nonspendable	-	-	5,438,448	-	1,693,500	-	4,615,582	-	-
Restricted	2,635,597	1,035,928	-	474,950	-	515,699	-	456,910	188,460
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	<u>2,635,597</u>	<u>1,035,928</u>	<u>5,438,448</u>	<u>474,950</u>	<u>1,693,500</u>	<u>515,699</u>	<u>4,615,582</u>	<u>456,910</u>	<u>188,460</u>
Total liabilities and fund balances	<u>\$ 3,613,415</u>	<u>\$ 1,035,928</u>	<u>\$ 5,438,448</u>	<u>\$ 474,950</u>	<u>\$ 1,693,500</u>	<u>\$ 515,699</u>	<u>\$ 4,615,582</u>	<u>\$ 456,910</u>	<u>\$ 188,460</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2012

	Debt Service				Capital Projects			Total Nonmajor Governmental Funds
	Series 2010A Service	Refunding Series 2010B Debt Service	TRAN Debt Service	Debt Service Total	Impact Fees	Open Space	Capital Projects Total	
ASSETS								
Cash and investments	\$400,681	\$ -	\$ 119,529	\$ 5,485,558	\$ 4,726,069	\$ 5,912,319	\$ 10,638,388	\$ 53,604,399
Accounts receivable, net	-	-	-	1,125,995	-	132,347	132,347	5,707,546
Accrued interest receivable	1,434	-	-	195,453	17,021	-	17,021	212,474
Cash-restricted	-	-	-	11,747,530	-	-	-	11,747,530
Inventory	-	-	-	-	-	-	-	14,109
Advances to other funds	-	1,530,000	-	1,530,000	-	-	-	1,530,000
Total assets	\$402,115	\$ 1,530,000	\$ 119,529	\$ 20,084,536	\$ 4,743,090	\$ 6,044,666	\$ 10,787,756	\$ 72,816,058
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 105,554	\$ 171,266	\$ 276,820	\$ 4,193,183
Accrued payroll	-	-	-	-	-	14,331	14,331	147,616
Unearned revenue	-	-	-	977,818	-	112,972	112,972	1,422,484
Due to other funds	-	-	-	-	-	-	-	75,783
Total liabilities	-	-	-	977,818	105,554	298,569	404,123	5,839,066
FUND BALANCES								
Nonspendable	-	1,530,000	-	13,277,530	-	-	-	13,291,639
Restricted	402,115	-	119,529	5,829,188	4,637,536	5,746,097	10,383,633	53,697,061
Unassigned	-	-	-	-	-	-	-	(11,708)
Total fund balances (deficit)	402,115	1,530,000	119,529	19,106,718	4,637,536	5,746,097	10,383,633	66,976,992
Total liabilities and fund balances	\$402,115	\$ 1,530,000	\$ 119,529	\$ 20,084,536	\$ 4,743,090	\$ 6,044,666	\$ 10,787,756	\$ 72,816,058

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

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2012

Special Revenue								
	Recreation	Environmental Health	Health Care GRT	Valuation	Fire Districts	Emergency Medical Services	Regional Correction Center	Sheriff's Investigative Fund
REVENUES								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	-	2,831,278	10,143,225	-	-	-	-	-
Intergovernmental								
Federal	-	-	-	-	-	-	-	248,500
State	-	-	-	-	1,327,853	195,822	-	5,946
Licenses and permits	-	-	-	-	-	-	-	-
Fees for services	-	-	-	5,481,866	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>2,831,278</u>	<u>10,143,225</u>	<u>5,481,866</u>	<u>1,327,853</u>	<u>195,822</u>	<u>-</u>	<u>254,446</u>
EXPENDITURES								
Current:								
General government	-	-	-	3,164,195	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public safety	-	-	78,393	-	1,415,758	216,219	-	439,776
Health and welfare	-	626,569	7,737,741	-	-	-	-	-
Culture and recreation	5,647	-	-	-	-	-	-	-
Capital outlay	-	39,167	572,866	-	28,533	15,169	-	228,379
Intergovernmental - capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-
Total expenditures	<u>5,647</u>	<u>665,736</u>	<u>8,389,000</u>	<u>3,164,195</u>	<u>1,444,291</u>	<u>231,388</u>	<u>-</u>	<u>668,155</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,647)</u>	<u>2,165,542</u>	<u>1,754,225</u>	<u>2,317,671</u>	<u>(116,438)</u>	<u>(35,566)</u>	<u>-</u>	<u>(413,709)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(1,753,219)	(1,199,000)	(338,957)	-	-	-	-
Sale of capital assets	-	-	-	-	9,081	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,753,219)</u>	<u>(1,199,000)</u>	<u>(338,957)</u>	<u>9,081</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>(5,647)</u>	<u>412,323</u>	<u>555,225</u>	<u>1,978,714</u>	<u>(107,357)</u>	<u>(35,566)</u>	<u>-</u>	<u>(413,709)</u>
Fund balances (deficit) - beginning	<u>5,647</u>	<u>2,784,311</u>	<u>16,596,629</u>	<u>10,987,604</u>	<u>399,369</u>	<u>23,858</u>	<u>5,372,155</u>	<u>948,911</u>
Change in fund structure	-	-	-	-	-	-	(5,372,155)	-
Fund balance as restructured	<u>5,647</u>	<u>2,784,311</u>	<u>16,596,629</u>	<u>10,987,604</u>	<u>399,369</u>	<u>23,858</u>	<u>-</u>	<u>948,911</u>
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ 3,196,634</u>	<u>\$ 17,151,854</u>	<u>\$ 12,966,318</u>	<u>\$ 292,012</u>	<u>\$ (11,708)</u>	<u>\$ -</u>	<u>\$ 535,202</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2012

	Special Revenue						
	Law Enforcement Protection	Farm and Range	County Indigent	Clerk's Recording & Filing	Section 8 Housing- Voucher	Department of Substance Abuse	Special Revenue Total
REVENUES							
Taxes:							
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	-	-	11,143,225	-	-	-	24,117,728
Intergovernmental							
Federal	-	177	-	-	10,777,492	-	11,026,169
State	212,400	-	-	-	-	-	1,742,021
Licenses and permits	-	-	-	-	-	-	-
Fees for services	-	-	-	803,798	138,609	-	6,424,273
Investment income	-	-	-	-	1,442	-	1,442
Miscellaneous	-	-	-	-	292,455	738,241	1,030,696
Total revenues	<u>212,400</u>	<u>177</u>	<u>11,143,225</u>	<u>803,798</u>	<u>11,209,998</u>	<u>738,241</u>	<u>44,342,329</u>
EXPENDITURES							
Current:							
General government	-	-	-	1,152,684	-	-	4,316,879
Public works	-	-	-	-	-	-	-
Public safety	219,250	-	-	-	-	242,260	2,611,656
Health and welfare	-	-	11,171,812	-	12,661,059	-	32,197,181
Culture and recreation	-	-	-	-	-	-	5,647
Capital outlay	5,909	-	-	-	-	-	890,023
Intergovernmental - capital outlay	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Bond issuance cost	-	-	-	-	-	-	-
Total expenditures	<u>225,159</u>	<u>-</u>	<u>11,171,812</u>	<u>1,152,684</u>	<u>12,661,059</u>	<u>242,260</u>	<u>40,021,386</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,759)</u>	<u>177</u>	<u>(28,587)</u>	<u>(348,886)</u>	<u>(1,451,061)</u>	<u>495,981</u>	<u>4,320,943</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(116,800)	-	(3,407,976)
Sale of capital assets	-	-	-	-	-	-	9,081
Refunding bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(116,800)</u>	<u>-</u>	<u>(3,398,895)</u>
Net changes in fund balances	<u>(12,759)</u>	<u>177</u>	<u>(28,587)</u>	<u>(348,886)</u>	<u>(1,567,861)</u>	<u>495,981</u>	<u>922,048</u>
Fund balances (deficit) - beginning	<u>47,738</u>	<u>266</u>	<u>273,302</u>	<u>888,148</u>	<u>3,642,664</u>	<u>(33,854)</u>	<u>41,936,748</u>
Change in fund structure	-	-	-	-	-	-	(5,372,155)
Fund balance as restated	<u>47,738</u>	<u>266</u>	<u>273,302</u>	<u>888,148</u>	<u>3,642,664</u>	<u>(33,854)</u>	<u>36,564,593</u>
Fund balances (deficit)- ending	<u>\$ 34,979</u>	<u>\$ 443</u>	<u>\$ 244,715</u>	<u>\$ 539,262</u>	<u>\$ 2,074,803</u>	<u>\$ 462,127</u>	<u>\$ 37,486,641</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2012

	Debt Service									
	General Obligation Bond Debt Service	Series 1996B Debt Service	Series 1996B Reserve	Series 1997 Debt Service	Series 1997 Reserve	Refunding Series 1998 Debt Service	Refunding Series 1998 Reserve	Refunding Series 2005 Debt Service	Series 2008A Debt Service	Series 2009A Debt Service
REVENUES										
Taxes:										
Property	\$ 12,595,776	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Fees for services	-	-	-	-	-	-	-	-	-	-
Investment income	17,435	366,640	-	99,572	-	289,262	-	12,085	2,684	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>12,613,211</u>	<u>366,640</u>	<u>-</u>	<u>99,572</u>	<u>-</u>	<u>289,262</u>	<u>-</u>	<u>12,085</u>	<u>2,684</u>	<u>-</u>
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Intergovernmental - capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	6,310,000	2,105,000	-	1,000,000	-	1,870,000	-	1,395,000	-	4,750,000
Interest	3,784,449	2,669,328	-	412,250	-	2,141,714	-	2,111,438	-	71,250
Bond issuance costs	81,103	-	-	-	-	-	-	-	-	-
Total expenditures	<u>10,175,552</u>	<u>4,774,328</u>	<u>-</u>	<u>1,412,250</u>	<u>-</u>	<u>4,011,714</u>	<u>-</u>	<u>3,506,438</u>	<u>-</u>	<u>4,821,250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,437,659</u>	<u>(4,407,688)</u>	<u>-</u>	<u>(1,312,678)</u>	<u>-</u>	<u>(3,722,452)</u>	<u>-</u>	<u>(3,494,353)</u>	<u>2,684</u>	<u>(4,821,250)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	-	4,048,017	-	1,424,498	-	3,734,328	-	3,506,438	-	4,821,250
Transfers out	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	6,535,000	-	-	-	-	-	-	-	-	-
Premium on bonds issued	619,803	-	-	-	-	-	-	-	-	-
Discount on bonds issued	(42,477)	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(7,027,596)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>84,730</u>	<u>4,048,017</u>	<u>-</u>	<u>1,424,498</u>	<u>-</u>	<u>3,734,328</u>	<u>-</u>	<u>3,506,438</u>	<u>-</u>	<u>4,821,250</u>
Net changes in fund balances	<u>2,522,389</u>	<u>(359,671)</u>	<u>-</u>	<u>111,820</u>	<u>-</u>	<u>11,876</u>	<u>-</u>	<u>12,085</u>	<u>2,684</u>	<u>-</u>
Fund balances (deficit) - beginning	<u>113,208</u>	<u>1,395,599</u>	<u>5,438,448</u>	<u>363,130</u>	<u>1,693,500</u>	<u>503,823</u>	<u>4,615,582</u>	<u>444,825</u>	<u>185,776</u>	<u>-</u>
Change in fund structure	-	-	-	-	-	-	-	-	-	-
Fund balance as restated	<u>113,208</u>	<u>1,395,599</u>	<u>5,438,448</u>	<u>363,130</u>	<u>1,693,500</u>	<u>503,823</u>	<u>4,615,582</u>	<u>444,825</u>	<u>185,776</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$ 2,635,597</u>	<u>\$ 1,035,928</u>	<u>\$ 5,438,448</u>	<u>\$ 474,950</u>	<u>\$ 1,693,500</u>	<u>\$ 515,699</u>	<u>\$ 4,615,582</u>	<u>\$ 456,910</u>	<u>\$ 188,460</u>	<u>\$ -</u>

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

**COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2012**

	Debt Service			Capital Projects			Total Nonmajor Governmental Funds	
	Series 2010A Debt Service	Refunding Series 2010B Debt Service	TRAN Debt Service	Debt Service Total	Impact Fees	Open Space		Capital Projects Total
REVENUES								
Taxes:								
Property	\$ -	\$ -	\$ -	\$ 12,595,776	\$ -	\$ 1,411,922	\$ 1,411,922	\$ 14,007,698
Sales	-	-	-	-	-	-	-	24,117,728
Intergovernmental	-	-	-	-	-	-	-	-
Federal	-	-	-	-	-	-	-	11,026,169
State	-	-	-	-	-	-	-	1,742,021
Licenses and permits	-	-	-	-	-	-	-	-
Fees for services	-	-	-	-	298,735	-	298,735	6,723,008
Investment income	10,482	-	-	798,160	124,316	-	124,316	923,918
Miscellaneous	-	57,838	-	57,838	-	6,300	6,300	1,094,834
Total revenues	<u>10,482</u>	<u>57,838</u>	<u>-</u>	<u>13,451,774</u>	<u>423,051</u>	<u>1,418,222</u>	<u>1,841,273</u>	<u>59,635,376</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	4,316,879
Public works	-	-	-	-	-	370,261	370,261	370,261
Public safety	-	-	-	-	-	-	-	2,611,656
Health and welfare	-	-	-	-	-	-	-	32,197,181
Culture and recreation	-	-	-	-	9,870	381,929	391,799	397,446
Capital outlay	-	-	-	-	339,307	2,218,485	2,557,792	3,447,815
Intergovernmental - capital outlay	-	-	-	-	150,730	-	150,730	150,730
Debt service:								
Principal	955,000	60,000	-	18,445,000	-	-	-	18,445,000
Interest	237,325	57,838	294,167	11,779,759	-	-	-	11,779,759
Bond issuance cost	-	-	-	81,103	-	-	-	81,103
Total expenditures	<u>1,192,325</u>	<u>117,838</u>	<u>294,167</u>	<u>30,305,862</u>	<u>499,907</u>	<u>2,970,675</u>	<u>3,470,582</u>	<u>73,797,830</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,181,843)</u>	<u>(60,000)</u>	<u>(294,167)</u>	<u>(16,854,088)</u>	<u>(76,856)</u>	<u>(1,552,453)</u>	<u>(1,629,309)</u>	<u>(14,162,454)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	1,199,000	-	-	18,733,531	-	-	-	18,733,531
Transfers out	-	-	-	-	-	-	-	(3,407,976)
Sale of capital assets	-	-	-	-	-	-	-	9,081
Refunding bonds issued	-	-	-	6,535,000	-	-	-	6,535,000
Premium on bonds issued	-	-	-	619,803	-	-	-	619,803
Discount on bonds issued	-	-	-	(42,477)	-	-	-	(42,477)
Payment to refunded bond escrow agent	-	-	-	(7,027,596)	-	-	-	(7,027,596)
Total other financing sources (uses)	<u>1,199,000</u>	<u>-</u>	<u>-</u>	<u>18,818,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,419,366</u>
Net changes in fund balances	<u>17,157</u>	<u>(60,000)</u>	<u>(294,167)</u>	<u>1,964,173</u>	<u>(76,856)</u>	<u>(1,552,453)</u>	<u>(1,629,309)</u>	<u>1,256,912</u>
Fund balances (deficit) - beginning	<u>384,958</u>	<u>1,590,000</u>	<u>413,696</u>	<u>17,142,545</u>	<u>4,714,392</u>	<u>7,298,550</u>	<u>12,012,942</u>	<u>71,092,235</u>
Change in fund structure	-	-	-	-	-	-	-	(5,372,155)
Fund balance as restated	<u>384,958</u>	<u>1,590,000</u>	<u>413,696</u>	<u>17,142,545</u>	<u>4,714,392</u>	<u>7,298,550</u>	<u>12,012,942</u>	<u>65,720,080</u>
Fund balances (deficit) - ending	<u>\$ 402,115</u>	<u>\$ 1,530,000</u>	<u>\$ 119,529</u>	<u>\$ 19,106,718</u>	<u>\$ 4,637,536</u>	<u>\$ 5,746,097</u>	<u>\$ 10,383,633</u>	<u>\$ 66,976,992</u>

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

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
RECREATION
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012**

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

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
ENVIRONMENTAL HEALTH
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 2,750,000	\$ 2,750,000	<u>\$ 2,920,867</u>	<u>\$ 170,867</u>
Prior year cash balance budget	<u>2,067,298</u>	<u>2,067,298</u>		
Total budget	<u>4,817,298</u>	<u>4,817,298</u>		
Expenditures:				
Health and welfare:				
Solid waste	245,192	245,192	208,785	36,407
Planning and geo resources	2,415,955	2,415,955	408,528	2,007,427
Zoning, building and environmental	-	-	-	-
Capital outlay	402,932	402,932	39,167	363,765
Capital outlay for others	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,064,079</u>	<u>3,064,079</u>	<u>656,480</u>	<u>2,407,599</u>
Other financing uses:				
Transfers out	<u>1,753,219</u>	<u>1,753,219</u>	<u>1,753,219</u>	<u>-</u>
Total expenditures and other financing uses	<u>4,817,298</u>	<u>4,817,298</u>	<u>2,409,699</u>	<u>2,407,599</u>
Excess of revenues over expenditures and other financing uses			<u><u>\$ 511,168</u></u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 511,168	
Increase (decrease) in assets:				
Accounts receivable			(100,127)	
(Increase) decrease in liabilities:				
Accounts payable			(9,256)	
Deferred revenue			<u>10,538</u>	
Net changes in fund balance - GAAP basis			<u><u>\$ 412,323</u></u>	

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
1/16 HEALTH CARE GRT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES BUDGET AND ACTUAL
Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 9,500,000	\$ 9,500,000	\$ 10,178,793	\$ 678,793
Prior year cash balance budget	<u>14,496,391</u>	<u>14,496,391</u>		
Total budget	<u>23,996,391</u>	<u>23,996,391</u>		
Expenditures:				
Health and welfare:				
Operating expenses	18,500,069	18,500,069	7,141,946	11,358,123
Public safety:				
Operating expenses	88,762	88,762	71,700	17,062
Capital outlay	<u>4,208,560</u>	<u>4,208,560</u>	<u>1,047,075</u>	<u>3,161,485</u>
	22,797,391	22,797,391	8,260,721	14,536,670
Other financing uses				
Operating transfers out	<u>1,199,000</u>	<u>1,199,000</u>	<u>1,199,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>23,996,391</u>	<u>23,996,391</u>	<u>9,459,721</u>	<u>14,536,670</u>
Excess of revenues over expenditures and other financing uses			<u>\$ 719,072</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 719,072	
Increase (decrease) in assets:				
Accounts receivable			(69,912)	
(Increase) decrease in liabilities:				
Accounts payable			(127,608)	
Deferred revenue			34,344	
Accrued payroll			<u>(671)</u>	
Net changes in fund balance - GAAP basis			<u>\$ 555,225</u>	

COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
VALUATION
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees for services	\$ 6,100,000	\$ 6,100,000	\$ 5,481,866	\$ (618,134)
Prior year cash balance budget	<u>427,717</u>	<u>427,717</u>		
Total budget	<u>6,527,717</u>	<u>6,527,717</u>		
Expenditures:				
General government:				
Operating expenditures	5,935,342	5,935,342	3,021,756	2,913,586
Principal	<u>253,418</u>	<u>253,418</u>	-	<u>253,418</u>
Total expenditures	<u>6,188,760</u>	<u>6,188,760</u>	<u>3,021,756</u>	<u>3,167,004</u>
Other financing uses:				
Transfers out	<u>338,957</u>	<u>338,957</u>	<u>338,957</u>	-
Total expenditures and other financing uses	<u>6,527,717</u>	<u>6,527,717</u>	<u>3,360,713</u>	<u>3,167,004</u>
Excess of revenues over expenditures and other financing uses			<u>\$ 2,121,153</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 2,121,153	
(Increase) decrease in liabilities:				
Accounts payable			(134,263)	
Accrued payroll			<u>(8,176)</u>	
Net changes in fund balance - GAAP basis			<u>\$ 1,978,714</u>	

COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental:				
Fire District #1	\$ 81,774	\$ 81,774	\$ 81,774	\$ -
Fire District #2	112,926	112,926	112,926	-
Fire District #3	81,774	81,774	81,774	-
Fire District #4	81,774	81,774	81,774	-
Fire District #5	112,926	112,926	112,926	-
Fire District #6	144,078	144,078	144,078	-
Fire District #7	81,774	81,774	81,774	-
Fire District #8	112,926	112,926	112,926	-
Fire District #9	81,774	81,774	81,774	-
Fire District #10	81,774	81,774	81,774	-
Fire District #11	112,926	112,926	112,926	-
Fire District #12	77,879	77,879	77,879	-
Fire District #13	81,774	81,774	81,774	-
Fire administration	81,774	81,774	81,774	-
Total revenues	<u>1,327,853</u>	<u>1,327,853</u>	<u>1,327,853</u>	<u>-</u>
Other financing sources	-	-	-	-
Sale of capital assets	-	-	9,081	9,081
Total revenues and other financing sources	<u>-</u>	<u>-</u>	<u>9,081</u>	<u>9,081</u>
Total revenues	<u>1,327,853</u>	<u>1,327,853</u>	<u>1,336,934</u>	<u>9,081</u>
Prior year cash balance budget	619,178	619,178		
Total budget	<u>1,947,031</u>	<u>1,947,031</u>		
Expenditures:				
Public safety:				
Fire District #1	215,663	215,663	213,337	2,326
Fire District #2	338,415	338,415	376,118	(37,703)
Fire District #3	66,246	66,246	66,629	(383)
Fire District #4	59,269	59,269	36,753	22,516
Fire District #5	100,835	100,835	130,597	(29,762)
Fire District #6	119,581	119,581	123,981	(4,400)
Fire District #7	101,550	101,550	23,023	78,527
Fire District #8	115,696	115,696	124,655	(8,959)
Fire District #9	88,351	88,351	103,789	(15,438)
Fire District #10	65,837	65,837	62,607	3,230
Fire District #11	103,484	103,484	87,276	16,208
Fire District #12	166,633	166,633	67,901	98,732
Fire District #13	109,921	109,921	21,948	87,973
Fire administration	85,025	85,025	81,372	3,653
Capital Outlay	210,525	210,525	34,877	175,648
Total expenditures	<u>1,947,031</u>	<u>1,947,031</u>	<u>1,554,863</u>	<u>392,168</u>
Deficiency of revenues and other financing sources over expenditures			<u>\$ (217,929)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (217,929)	
(Increase) decrease in liabilities:				
Accounts payable			<u>110,572</u>	
Net changes in fund balance - GAAP basis			<u>\$ (107,357)</u>	

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
EMERGENCY MEDICAL SERVICES
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 195,822	\$ 195,822	\$ 195,822	\$ -
Prior year cash balance budgeted	<u>22,439</u>	<u>22,439</u>		
Total budget	<u>218,261</u>	<u>218,261</u>		
Expenditures:				
Public safety:				
Fire District #1	26,000	26,000	26,000	-
Fire District #12	20,000	20,000	19,407	593
Superior Ambulance	20,006	20,006	20,005	1
Canoncito Ambulance	21,492	21,492	20,299	1,193
Lifeguard Ambulance	24,704	24,704	24,623	81
Isleta Pueblo Ambulance	20,408	20,408	20,288	120
Med-Flight Air Ambulance	19,439	19,439	19,351	88
Albuquerque Ambulance	35,000	35,000	35,000	-
Aircare I International	16,043	16,043	4,637	11,406
Capital outlay	<u>15,169</u>	<u>15,169</u>	<u>15,169</u>	<u>-</u>
Total expenditures	<u>218,261</u>	<u>218,261</u>	<u>204,779</u>	<u>13,482</u>
Deficiency of revenues over expenditures			<u>\$ (8,957)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (8,957)	
(Increase) decrease in liabilities:				
Accounts payable			<u>(26,609)</u>	
Net changes in fund balance - GAAP basis			<u>\$ (35,566)</u>	

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
LAW ENFORCEMENT PROTECTION
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 195,000	\$ 195,000	\$ 212,400	\$ 17,400
Prior year cash balance budget	<u>59,722</u>	<u>59,722</u>		
Total budget	<u>254,722</u>	<u>254,722</u>		
Expenditures:				
Public safety:				
Operating expenditures	248,813	248,813	208,288	40,525
Capital outlay	<u>5,909</u>	<u>5,909</u>	5,909	-
Total expenditures	<u>254,722</u>	<u>254,722</u>	<u>214,197</u>	<u>40,525</u>
Deficiency of revenues over expenditures			<u>\$ (1,797)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (1,797)	
(Increase) decrease in liabilities:				
Accounts payable			<u>(10,962)</u>	
Net changes in fund balance - GAAP basis			<u>\$ (12,759)</u>	

COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
FARM AND RANGE
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Intergovernmental	\$ 100	\$ 100	\$ 177	\$ 77
Expenditures:				
Public works:				
Operating expenditures	100	100	-	100
Excess of revenues over expenditures			<u>\$ 177</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 177	
Increase (decrease) in assets:			-	
(Increase) decrease in liabilities:			<u>-</u>	
Net changes in fund balance - GAAP basis			<u>\$ 177</u>	

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
COUNTY INDIGENT
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Prior year cash balance budget	204,426	204,426		
Total budget	<u>1,204,426</u>	<u>1,204,426</u>		
Expenditures:				
Health and welfare:				
Operating expenditures	<u>1,204,426</u>	<u>1,204,426</u>	<u>1,086,171</u>	<u>118,255</u>
Total expenditures	<u>1,204,426</u>	<u>1,204,426</u>	<u>1,086,171</u>	<u>118,255</u>
Deficiency of revenues over expenditures			<u>\$ (86,171)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (86,171)	
Increase (decrease) in assets:				
Accounts receivable			(35,568)	
(Increase) decrease in liabilities:				
Accounts payable			<u>93,152</u>	
Net changes in fund balance - GAAP basis			<u>\$ (28,587)</u>	

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
COUNTY CLERK RECORDING AND FILING FEES
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees for services	\$ 735,980	\$ 735,980	\$ 803,798	\$ 67,818
Prior year cash balance budget	<u>655,373</u>	<u>655,373</u>		
Total budget	<u>1,391,353</u>	<u>1,391,353</u>		
Expenditures:				
General government:				
Operating expenditures	1,224,046	1,391,353	1,164,581	226,772
Capital outlay	<u>167,307</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,391,353</u>	<u>1,391,353</u>	<u>1,164,581</u>	<u>226,772</u>
Deficiency of revenues over expenditures			<u>\$ (360,783)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (360,783)	
Increase (decrease) in assets:				
(Increase) decrease in liabilities:				
Accounts payable			<u>11,897</u>	
Net changes in fund balance - GAAP basis			<u>\$ (348,886)</u>	

**COUNTY OF BERNALILLO, NEW MEXICO
SPECIAL REVENUE FUND
DEPARTMENT OF SUBSTANCE ABUSE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES BUDGET AND ACTUAL
Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Miscellaneous	\$ 628,000	\$ 628,000	\$ 738,241	\$ 110,241
Expenditures:				
Public safety:				
Operating expenditures	<u>624,610</u>	<u>624,610</u>	<u>257,677</u>	<u>366,933</u>
Excess of revenues over expenditures			<u>\$ 480,564</u>	
Budgetary compliance - non GAAP financial statement reconciliation:			\$ 480,564	
Net changes in fund balance - budget to actual				
(Increase) decrease in liabilities:				
Accounts payable			16,904	
Deferred revenue			<u>(1,487)</u>	
			<u>\$ 495,981</u>	
Net changes in fund balance - GAAP basis				

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
GENERAL OBLIGATION BONDS DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 12,137,897	\$ 12,137,897	\$ 12,552,355	\$ 414,458
Investment income	-	-	13,554	13,554
Total revenues	<u>12,137,897</u>	<u>12,137,897</u>	<u>12,565,909</u>	<u>428,012</u>
Other financing sources:				
General obligation bonds issued	-	6,535,000	6,535,000	-
Premium	-	619,803	619,803	-
Total revenues and other financing sources	<u>12,137,897</u>	<u>19,292,700</u>	<u>19,720,712</u>	<u>428,012</u>
Expenditures:				
Debt service:				
Principal	7,096,559	7,096,559	6,310,000	786,559
Interest	5,041,338	5,041,338	3,784,449	1,256,889
Bond issuance cost	-	81,103	81,103	-
Total expenditures	<u>12,137,897</u>	<u>12,219,000</u>	<u>10,175,552</u>	<u>2,043,448</u>
Other financing uses:				
Payment to bond escrow agent	-	7,027,596	7,027,596	-
Discount	-	42,477	42,477	-
Total expenditures and other financing uses	<u>12,137,897</u>	<u>19,289,073</u>	<u>17,245,625</u>	<u>2,043,448</u>
Excess of revenues and other financing sources over expenditures and other financing uses			<u>\$ 2,475,087</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual				
Increase (decrease) in assets:			\$ 2,475,087	
Property taxes receivable			-	
Interest receivable			133,391	
(Increase) decrease in liabilities:			3,881	
Deferred revenue			-	
			<u>(89,970)</u>	
Net changes in fund balance - GAAP basis			<u>\$ 2,522,389</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
SERIES 1996B
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ 336,554	\$ 336,554	\$ 371,427	\$ 34,873
Other financing sources:				
Transfers in	4,048,017	4,048,017	4,048,017	-
Total revenues and other financing sources	<u>4,384,571</u>	<u>4,384,571</u>	<u>4,419,444</u>	<u>34,873</u>
Prior year cash balance budget	389,757	389,757		
Total budget	<u>4,774,328</u>	<u>4,774,328</u>		
Expenditures:				
Debt service:				
Principal	2,105,000	2,105,000	2,105,000	-
Interest	2,669,328	2,669,328	2,669,328	-
Total expenditures	<u>4,774,328</u>	<u>4,774,328</u>	<u>4,774,328</u>	<u>-</u>
Deficiency of revenues and other financing sources over expenditures			<u>\$ (354,884)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (354,884)	
Increase (decrease) in assets:				
Interest receivable			<u>(4,787)</u>	
Net changes in fund balance - GAAP basis			<u>\$ (359,671)</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
SERIES 1997
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ 317,276	\$ 317,276	\$ 100,078	\$ (217,198)
Other financing sources:				
Transfers in	1,424,498	1,424,498	1,424,498	-
Total revenues and other financing sources	<u>1,741,774</u>	<u>1,741,774</u>	<u>1,524,576</u>	<u>(217,198)</u>
Expenditures:				
Debt service:				
Principal	1,000,000	1,000,000	1,000,000	-
Interest	412,250	412,250	412,250	-
Total expenditures	<u>1,412,250</u>	<u>1,412,250</u>	<u>1,412,250</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures			<u>\$ 112,326</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 112,326	
Increase (decrease) in assets:				
Interest receivable			<u>(506)</u>	
Net changes in fund balance - GAAP basis			<u>\$ 111,820</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
REFUNDING SERIES 1998
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ 277,386	\$ 277,386	\$ 290,377	\$ 12,991
Other financing sources:				
Transfers in	3,734,328	3,734,328	3,734,328	-
Total revenues and other financing sources	<u>4,011,714</u>	<u>4,011,714</u>	<u>4,024,705</u>	<u>12,991</u>
Expenditures:				
Debt service:				
Principal	1,870,000	1,870,000	1,870,000	-
Interest	<u>2,141,714</u>	<u>2,141,714</u>	<u>2,141,714</u>	<u>-</u>
Total expenditures	<u>4,011,714</u>	<u>4,011,714</u>	<u>4,011,714</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures			<u>\$ 12,991</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 12,991	
Increase (decrease) in assets:				
Interest receivable			<u>(1,115)</u>	
Net changes in fund balance - GAAP basis			<u>\$ 11,876</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
REFUNDING SERIES 2005
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ -	\$ -	\$ 13,225	\$ 13,225
Other financing sources:				
Transfers in	3,506,438	3,506,438	3,506,438	-
Total revenues and other financing sources	<u>3,506,438</u>	<u>3,506,438</u>	<u>3,519,663</u>	<u>13,225</u>
Expenditures:				
Debt service:				
Principal	1,395,000	1,395,000	1,395,000	-
Interest	<u>2,111,438</u>	<u>2,111,438</u>	<u>2,111,438</u>	<u>-</u>
Total expenditures	<u>3,506,438</u>	<u>3,506,438</u>	<u>3,506,438</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures			<u>\$ 13,225</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 13,225	
Increase (decrease) in assets:				
Interest receivable			<u>(1,140)</u>	
Net changes in fund balance - GAAP basis			<u>\$ 12,085</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
SERIES 2008A
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ -	\$ -	\$ 3,847	\$ 3,847
Expenditures:				
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures			<u>\$ 3,847</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 3,847	
Increase (decrease) in assets:				
Interest receivable			<u>(1,163)</u>	
Net changes in fund balance - GAAP basis			<u>\$ 2,684</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
SERIES 2009A
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources:				
Transfers in	\$ 4,821,250	\$ 4,821,250	\$ 4,821,250	\$ -
Expenditures:				
Debt service:				
Principal	4,750,000	4,750,000	4,750,000	-
Interest	71,250	71,250	71,250	-
Total expenditures	<u>4,821,250</u>	<u>4,821,250</u>	<u>4,821,250</u>	<u>-</u>
Other financing sources equal expenditures			<u>\$ -</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ -	
Increase (decrease) in assets:			-	
(Increase) decrease in liabilities:			<u>-</u>	
Net changes in fund balance - GAAP basis			<u>\$ -</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
SERIES 2010A
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Investment income	\$ -	\$ -	\$ 11,448	\$ 11,448
Other financing sources:				
Transfers in	1,199,000	1,199,000	1,199,000	-
Total revenues and other financing sources	<u>1,199,000</u>	<u>1,199,000</u>	<u>1,210,448</u>	<u>11,448</u>
Expenditures:				
Debt service:				
Principal	955,000	955,000	955,000	-
Interest	237,325	237,325	237,325	-
Total expenditures	<u>1,192,325</u>	<u>1,192,325</u>	<u>1,192,325</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures			<u>\$ 18,123</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ 18,123	
Increase (decrease) in assets:				
Interest receivable			<u>(966)</u>	
Net changes in fund balance - GAAP basis			<u>\$ 17,157</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
REFUNDING SERIES 2010B
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Miscellaneous	\$ 117,838	\$ 117,838	\$ 57,838	\$ (60,000)
Prior year cash balance budget	-	60,000		
Total budget	<u>117,838</u>	<u>177,838</u>		
Expenditures:				
Debt service:				
Principal	60,000	60,000	60,000	-
Interest	<u>57,838</u>	<u>57,838</u>	<u>57,838</u>	-
Total expenditures	<u>117,838</u>	<u>117,838</u>	<u>117,838</u>	-
Deficiency of revenues over expenditures			<u>\$ (60,000)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:			\$ (60,000)	
Net changes in fund balance - budget to actual			-	
Increase (decrease) in assets:			-	
(Increase) decrease in liabilities:			-	
Net changes in fund balance - GAAP basis			<u>\$ (60,000)</u>	

COUNTY OF BERNALILLO, NEW MEXICO
DEBT SERVICE FUND
TRAN DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Prior year cash balance budget	\$ -	\$ 294,167		
Total budget	<u>-</u>	<u>294,167</u>		
Expenditures:				
Debt service:				
Interest	<u>-</u>	<u>294,167</u>	<u>294,167</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>294,167</u>	<u>294,167</u>	<u>-</u>
Deficiency of other financing sources over expenditures			<u>\$ (294,167)</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in fund balance - budget to actual			\$ (294,167)	
Increase (decrease) in assets:			-	
(Increase) decrease in liabilities:			<u>-</u>	
Net changes in fund balance - GAAP basis			<u>\$ (294,167)</u>	



COUNTY OF BERNALILLO, NEW MEXICO

DESCRIPTION OF FIDUCIARY FUNDS

AGENCY FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF BERNALILLO, NEW MEXICO

DESCRIPTION OF FIDUCIARY FUNDS

AGENCY FUNDS (CONTINUED)

Taxes Paid in Advance. Consists of two accounts:

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

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

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

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

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

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

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

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

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

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

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

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

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

- Special Assessment District 83-1
- Special Assessment District 83-1B

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2012

	Treasurer Funds										
	Children's Trust Fund	Refund Over- payments	Valuation Problems	Partial Payments	Taxes Paid in Advance	Claim for Refund IOI	Undistributed Taxes	NSF Applies	Claim for Refund	Trust and Escrow	Total Treasurer
ASSETS											
Cash and investments	\$ -	\$ 3,405,238	\$ 8,401	\$ 58,175	\$ 126,972	\$ 504,123	\$ 6,875,499	\$ 3,291	\$7,486,071	\$2,859	\$ 18,470,629
Receivables, net:											
Property taxes	-	-	-	-	-	-	39,099,941	-	-	-	39,099,941
Other	-	-	-	-	-	27,372	-	-	-	-	27,372
Total assets	<u>\$ -</u>	<u>\$ 3,405,238</u>	<u>\$ 8,401</u>	<u>\$ 58,175</u>	<u>\$ 126,972</u>	<u>\$ 531,495</u>	<u>\$ 45,975,440</u>	<u>\$ 3,291</u>	<u>\$7,486,071</u>	<u>\$2,859</u>	<u>\$ 57,597,942</u>
LIABILITIES											
Deposits held in trust for others	\$ (3,814)	\$ 3,405,238	\$ 8,401	\$ 58,175	\$ 126,972	\$ 531,495	\$ 6,875,499	\$ 3,291	\$7,486,071	\$2,859	\$ 18,494,187
Other	3,814	-	-	-	-	-	-	-	-	-	3,814
Future taxes collectable	-	-	-	-	-	-	39,099,941	-	-	-	39,099,941
	<u>\$ -</u>	<u>\$ 3,405,238</u>	<u>\$ 8,401</u>	<u>\$ 58,175</u>	<u>\$ 126,972</u>	<u>\$ 531,495</u>	<u>\$ 45,975,440</u>	<u>\$ 3,291</u>	<u>\$7,486,071</u>	<u>\$2,859</u>	<u>\$ 57,597,942</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 June 30, 2012

	<u>Court Services Fund</u>	<u>County Sheriff</u>	<u>Inmate MDC</u>	<u>Resident JDYSC</u>	<u>Regional Transit Fund</u>	<u>Special Assessment District 83-1</u>	<u>Special Assessment District 83-1B</u>	<u>Total Agency Fund</u>
ASSETS								
Cash and investments	\$ -	\$ 511,607	\$ 834,546	\$ 1,328	\$ -	\$ 435,279	\$ 807	\$ 20,254,196
Receivables, net:								
Property taxes	-	-	-	-	-	-	1,260,000	40,359,941
Other	-	-	-	-	3,539,056	145,022	-	3,711,450
Total assets	<u>\$ -</u>	<u>\$ 511,607</u>	<u>\$ 834,546</u>	<u>\$ 1,328</u>	<u>\$ 3,539,056</u>	<u>\$ 580,301</u>	<u>\$ 1,260,807</u>	<u>\$ 64,325,587</u>
LIABILITIES								
Deposits held in trust for others	\$ (1,162)	\$ 511,607	\$ 834,546	\$ 1,328	\$ -	\$ 580,301	\$ 807	\$ 20,421,614
Other	1,162	-	-	-	-	-	-	4,976
Future taxes collectable	-	-	-	-	3,539,056	-	1,260,000	43,898,997
Total liabilities	<u>\$ -</u>	<u>\$ 511,607</u>	<u>\$ 834,546</u>	<u>\$ 1,328</u>	<u>\$ 3,539,056</u>	<u>\$ 580,301</u>	<u>\$ 1,260,807</u>	<u>\$ 64,325,587</u>

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

COUNTY OF BERNALILLO, NEW MEXICO

NONMAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

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

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

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

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

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

COUNTY OF BERNALILLO, NEW MEXICO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
June 30, 2012

	<u>Solid Waste</u>	<u>Bernalillo County Housing Authority</u>	<u>Seybold Village Handicapped Project</u>	<u>Regional Juvenile Detention Center</u>	<u>El Centro Familiar</u>	<u>Totals</u>
ASSETS						
Current assets:						
Cash and investments	\$ 527,068	\$ 2,586,714	\$ 315,109	\$ 460,585	\$ 698,107	\$ 4,587,583
Accounts receivable, net	1,601,259	360,244	2,860	18,636	2,534	1,985,533
Accrued interest receivable	-	562	-	-	-	562
Due from other funds	-	95,184	202,711	-	-	297,895
Inventory	-	-	757	-	3,972	4,729
Held for sale	-	135,400	-	-	-	135,400
Total current assets	<u>2,128,327</u>	<u>3,178,104</u>	<u>521,437</u>	<u>479,221</u>	<u>704,613</u>	<u>7,011,702</u>
Noncurrent assets:						
Capital assets:						
Land	34,000	159,000	205,500	-	36,852	435,352
Land Improvements	-	-	44,559	-	-	44,559
Buildings	681,791	928,317	2,093,427	-	2,682,124	6,385,659
Equipment, machinery, and furniture	1,488,447	305,968	33,740	-	12,205	1,840,360
Less accumulated depreciation	<u>(1,789,664)</u>	<u>(700,027)</u>	<u>(1,647,842)</u>	<u>-</u>	<u>(1,274,311)</u>	<u>(5,411,844)</u>
Total noncurrent assets	<u>414,574</u>	<u>693,258</u>	<u>729,384</u>	<u>-</u>	<u>1,456,870</u>	<u>3,294,086</u>
Total assets	<u>\$ 2,542,901</u>	<u>\$ 3,871,362</u>	<u>\$ 1,250,821</u>	<u>\$ 479,221</u>	<u>\$ 2,161,483</u>	<u>\$ 10,305,788</u>
LIABILITIES						
Current liabilities:						
Accounts payable and other current liabilities	\$ 337,396	\$ 273,782	\$ 1,089	\$ 171,619	\$ 3,069	\$ 786,955
Compensated absences	10,488	24,479	1,252	6,690	3,083	45,992
Accrued payroll	24,170	8,673	3,848	25,771	5,336	67,798
Due to other funds	-	202,711	7,375	-	12,026	222,112
Due to grantor	-	135,400	-	-	-	135,400
Unearned revenue	<u>1,233,788</u>	<u>-</u>	<u>5,385</u>	<u>-</u>	<u>-</u>	<u>1,239,173</u>
Total current liabilities	<u>1,605,842</u>	<u>645,045</u>	<u>18,949</u>	<u>204,080</u>	<u>23,514</u>	<u>2,497,430</u>
Noncurrent liabilities:						
Compensated absences	106,044	247,522	12,666	67,638	31,152	465,022
Deposits held in trust for others	-	-	-	-	12,384	12,384
Advance from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,530,000</u>	<u>1,530,000</u>
Total noncurrent liabilities	<u>106,044</u>	<u>247,522</u>	<u>12,666</u>	<u>67,638</u>	<u>1,573,536</u>	<u>2,007,406</u>
Total liabilities	<u>1,711,886</u>	<u>892,567</u>	<u>31,615</u>	<u>271,718</u>	<u>1,597,050</u>	<u>4,504,836</u>
NET ASSETS						
Invested in capital assets, net of related debt	414,573	693,258	729,384	-	1,456,870	3,294,085
Unrestricted (deficit)	<u>416,442</u>	<u>2,285,537</u>	<u>489,822</u>	<u>207,503</u>	<u>(892,437)</u>	<u>2,506,867</u>
Total net assets	<u>\$ 831,015</u>	<u>\$ 2,978,795</u>	<u>\$ 1,219,206</u>	<u>\$ 207,503</u>	<u>\$ 564,433</u>	<u>\$ 5,800,952</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	<u>Solid Waste</u>	<u>Bernalillo County Housing Authority</u>	<u>Seybold Village Handicapped Project</u>	<u>Regional Juvenile Detention Center</u>	<u>El Centro Familiar</u>	<u>Totals</u>
Operating revenues:						
Administrative and service fees	\$ 4,755,515	\$ 333,339	\$ -	\$ 1,062,223	\$ -	\$ 6,151,077
Rental income						
Tenants	-	8,169	42,921	-	218,642	269,732
Other income	243,029	117,537	113,367	-	78,960	552,893
Total operating revenues	<u>4,998,544</u>	<u>459,045</u>	<u>156,288</u>	<u>1,062,223</u>	<u>297,602</u>	<u>6,973,702</u>
Operating expenses:						
Salaries and wages	494,297	466,947	54,755	681,432	103,655	1,801,086
Contractual services	4,003,648	765,949	3,110	58,300	8,818	4,839,825
Materials and supplies	16,039	-	8,002	124,040	3,849	151,930
Other services and charges	298,923	47,618	45,979	41,120	111,407	545,047
Miscellaneous expense	-	-	-	-	76,948	76,948
Depreciation	28,511	60,446	44,915	-	99,380	233,252
Total operating expenses	<u>4,841,418</u>	<u>1,340,960</u>	<u>156,761</u>	<u>904,892</u>	<u>404,057</u>	<u>7,648,088</u>
Operating income (loss)	<u>157,126</u>	<u>(881,915)</u>	<u>(473)</u>	<u>157,331</u>	<u>(106,455)</u>	<u>(674,386)</u>
Non-operating revenues (expenses):						
Interest income	-	5,936	114	-	286	6,336
Interest expense	-	(7,144)	-	-	-	(7,144)
Loss on sale of capital assets	-	(6,945)	-	-	-	(6,945)
Gain on sale of capital assets	19,449	-	-	-	-	19,449
Grants - subsidies	171,700	-	-	-	161,839	333,539
Other government grant subsidies	-	949,075	-	-	-	949,075
Total nonoperating revenue	<u>191,149</u>	<u>940,922</u>	<u>114</u>	<u>-</u>	<u>162,125</u>	<u>1,294,310</u>
Income (loss) before contributions	348,275	59,007	(359)	157,331	55,670	619,924
Capital-grant subsidies	-	-	63,756	-	-	63,756
Capital contributions - capital assets	-	-	45,674	-	121,492	167,166
Transfers in	-	262,700	-	-	-	262,700
Transfers out	-	(46,300)	(24,000)	-	(75,600)	(145,900)
Change in net assets	<u>348,275</u>	<u>275,407</u>	<u>85,071</u>	<u>157,331</u>	<u>101,562</u>	<u>967,646</u>
Total net assets - beginning	482,740	2,703,388	1,134,135	50,172	462,871	4,833,306
Total net assets (deficit) - ending	<u>\$ 831,015</u>	<u>\$ 2,978,795</u>	<u>\$ 1,219,206</u>	<u>\$ 207,503</u>	<u>\$ 564,433</u>	<u>\$ 5,800,952</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2012

	Business-type Activities Enterprise Funds					Totals
	Solid Waste	Bernalillo County Housing Authority	Seybold Village Handicapped Project	Regional Juvenile Detention Center	El Centro Familiar	
Cash flows from operating activities:						
Receipts from administration and service fees	\$ 4,929,877	\$ 228,125	\$ -	\$ 1,077,507	\$ -	\$ 6,235,509
Receipts from rents	-	8,169	43,160	-	198,330	249,659
Receipts from other funds for goods and services	-	291,334	71,236	-	-	362,570
Payments to employees for services	(299,073)	(453,410)	(65,534)	(480,988)	(107,072)	(1,406,077)
Payments to vendors for goods and services	(4,821,971)	(787,223)	(51,048)	(350,554)	(182,369)	(6,193,165)
Payments to other funds for goods and services	-	(244,476)	(810)	(7,238)	(4,416)	(256,940)
Miscellaneous cash received	-	122,809	112,791	-	80,503	316,103
Net cash provided (used) by operating activities	<u>(191,167)</u>	<u>(834,672)</u>	<u>109,795</u>	<u>238,727</u>	<u>(15,024)</u>	<u>(692,341)</u>
Cash flows from noncapital financing activities:						
Operating grants/subsidies received	171,700	949,075	-	-	161,839	1,282,614
Contributions to other funds	-	-	-	-	(60,000)	(60,000)
Transfers in from other funds	-	262,700	-	-	-	262,700
Transfers out to other funds	-	(46,300)	(24,000)	-	(75,600)	(145,900)
Net cash provided by noncapital financing activities	<u>171,700</u>	<u>1,165,475</u>	<u>(24,000)</u>	<u>-</u>	<u>26,239</u>	<u>1,339,414</u>
Cash flows from capital and related financing activities:						
Mortgage paid	-	(233,114)	-	-	-	(233,114)
Interest paid	-	(7,144)	-	-	-	(7,144)
Disposal of capital assets	19,449	155,613	-	-	-	175,062
Acquisition of capital assets	-	-	(39,485)	-	(11,532)	(51,017)
Capital grants received	-	-	63,756	-	-	63,756
Net cash provided (used) by capital and related financing activities	<u>19,449</u>	<u>(84,645)</u>	<u>24,271</u>	<u>-</u>	<u>(11,532)</u>	<u>(52,457)</u>
Cash flows from investing activities:						
Interest received on investments	-	5,936	114	-	286	6,336
Net cash provided by investing activities	<u>-</u>	<u>5,936</u>	<u>114</u>	<u>-</u>	<u>286</u>	<u>6,336</u>
Net increase (decrease) in cash and cash equivalents	<u>(18)</u>	<u>252,094</u>	<u>110,180</u>	<u>238,727</u>	<u>(31)</u>	<u>600,952</u>
Cash and cash equivalents, beginning of year	<u>527,086</u>	<u>2,334,620</u>	<u>204,929</u>	<u>221,858</u>	<u>698,138</u>	<u>3,986,631</u>
Cash and cash equivalents, end of year	<u>\$ 527,068</u>	<u>\$ 2,586,714</u>	<u>\$ 315,109</u>	<u>\$ 460,585</u>	<u>\$ 698,107</u>	<u>\$ 4,587,583</u>
Reconciliation of operating income (loss) to net cash flows provided/used by operating activities:						
Operating income (loss)	\$ 157,126	\$ (881,915)	\$ (473)	\$ 157,331	\$ (106,455)	\$ (674,386)
Adjustments to reconcile net income to net cash flows:						
Depreciation	28,511	60,446	44,915	-	99,380	233,252
(Increase) decrease in:						
Accounts receivable	(853,587)	(97,306)	1,054	15,284	(16,269)	(950,824)
Allowance for uncollectable accounts	766,802	-	-	-	19,110	785,912
Inventory	-	-	6,844	-	247	7,091
Due from other funds	-	245,859	71,236	-	-	317,095
Increase (decrease) in:						
Deferred revenue	18,118	-	(815)	-	(2,698)	14,605
Accounts payable	(322,390)	76,440	(348)	65,696	(1,584)	(182,186)
Due to other funds	-	(244,476)	(810)	(7,239)	(4,416)	(256,941)
Deposits held in trust	-	(2,636)	-	-	-	(2,636)
Tenants payable	-	-	(576)	-	197	(379)
Accrued compensated absences	14,253	8,916	(11,232)	7,655	(2,536)	17,056
Net cash flows provided (used) by operating activities	<u>\$ (191,167)</u>	<u>\$ (834,672)</u>	<u>\$ 109,795</u>	<u>\$ 238,727</u>	<u>\$ (15,024)</u>	<u>\$ (692,341)</u>
Noncash investing, capital, and financing activities:						
Held for sale disposed	\$ -	\$ (237,600)	\$ -	\$ -	\$ -	\$ (237,600)
Delivered to grantor	-	237,600	-	-	-	237,600
Donated building improvements	-	-	44,495	-	114,417	158,912
Donated equipment	-	-	1,179	-	7,075	8,254

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

COUNTY OF BERNALILLO, NEW MEXICO
ENTERPRISE FUND
SOLID WASTE
SCHEDULE OF REVENUES, EXPENSES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Customer billings	\$ 4,057,325	\$ 4,339,325	\$ 4,421,953	\$ 82,628
Transfer station fees	304,660	304,660	313,968	9,308
Miscellaneous	274,500	274,500	434,177	159,677
Total revenues	<u>4,636,485</u>	<u>4,918,485</u>	<u>5,170,098</u>	<u>251,613</u>
Prior year cash balance budget	281,869	281,869		
Total budget	<u>4,918,354</u>	<u>5,200,354</u>		
Expenses:				
Operating expenses	<u>4,918,354</u>	<u>5,200,354</u>	<u>5,098,538</u>	<u>101,816</u>
Excess of revenues over expenses			<u>\$ 71,560</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in net assets - budget to actual			\$ 71,560	
Increase (decrease) in assets:				
Accounts receivable			37,712	
(Increase) decrease in liabilities:				
Accounts payable			304,271	
Deferred revenue			(18,118)	
Accrued payroll			(4,386)	
Compensated absences			(14,252)	
Depreciation			(28,512)	
Net changes in net assets - GAAP basis			<u>\$ 348,275</u>	

COUNTY OF BERNALILLO, NEW MEXICO
ENTERPRISE FUND
REGIONAL JUVENILE DETENTION CENTER
SCHEDULE OF REVENUES, EXPENSES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees for services	\$ 1,062,223	\$ 1,062,223	\$ 1,062,223	\$ -
Prior year cash budget	51,629	51,629		
Total Revenues	<u>1,113,852</u>	<u>1,113,852</u>		
Expenses:				
Operating expenses	<u>1,113,852</u>	<u>1,113,852</u>	<u>891,163</u>	<u>222,689</u>
Excess of revenues over expenses			<u>\$ 171,060</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in net assets - budget to actual			\$ 171,060	
(Increase) decrease in liabilities:				
Accounts payable			(7,052)	
Accrued payroll			978	
Compensated absences			<u>(7,655)</u>	
Net changes in net assets - GAAP basis			<u>\$ 157,331</u>	

COUNTY OF BERNALILLO, NEW MEXICO
INTERNAL SERVICE FUND
RISK MANAGEMENT
SCHEDULE OF REVENUES, EXPENSES - BUDGET AND ACTUAL
(NON-GAAP Budgetary Basis)
Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Fees for services	\$ 6,413,024	\$ 9,960,151	\$ 6,817,895	\$ (3,142,256)
Prior year cash balance budget	<u>3,591,247</u>	<u>44,120</u>		
Total budget	<u>10,004,271</u>	<u>10,004,271</u>		
Expenses:				
Operating expenses	<u>10,004,271</u>	<u>10,004,271</u>	<u>6,817,895</u>	<u>3,186,376</u>
Revenues equal expenses			<u>\$ -</u>	
Budgetary compliance - non GAAP financial statement reconciliation:				
Net changes in net assets - budget to actual			\$ -	
Increase (decrease) in assets:				
Prepaid expenses			120,628	
Due from other funds			47,616	
(Increase) decrease in liabilities:				
Accounts payable			(47,616)	
Deferred revenue			<u>(120,628)</u>	
Net changes in net assets - GAAP basis			<u>\$ -</u>	



COUNTY OF BERNALILLO, NEW MEXICO
 FINANCIAL DATA SCHEDULE - AS REQUIRED BY HUD
 YEAR ENDED JUNE 30, 2012

Financial Data Schedule - Balance Sheet

Account Description	Seybold	Housing Choice Vouchers	El Centro	Home Rehabilitation	Central Office	Total
111 Cash - Unrestricted	\$ 505,981	\$ 366,328	\$ 675,337	\$ 85,763	2,393,424	\$ 4,026,833
113 Cash - Other Restricted	-	1,954,033	-	-	-	1,954,033
114 Cash - Tenant Security Deposits	4,464	-	10,744	-	-	15,208
100 Total Cash	510,445	2,320,361	686,081	85,763	2,393,424	5,996,074
124 Accounts Receivable - Other Government	1,524	32,825	2,133	142,332	-	178,814
125 Accounts Receivable - Miscellaneous	-	-	401	-	217,912	218,313
126 Accounts Receivable - Tenants	1,336	-	19,110	-	-	20,446
126.1 Allowance for Doubtful Accounts - Tenants	-	-	(19,110)	-	-	(19,110)
128 Fraud Recovery	-	110,818	-	-	-	110,818
128.1 Allowance for Doubtful Accounts - Fraud	-	(83,494)	-	-	-	(83,494)
129 Accrued Interest Receivable	-	-	-	-	562	562
120 Total Receivables, Net of Allowances for Doubtful Accounts	2,860	60,149	2,534	142,332	218,474	426,349
143 Inventories	757	-	3,972	-	-	4,729
145 Assets Held for Sale	-	-	-	135,400	-	135,400
150 Total Current Assets	514,062	2,380,510	692,587	363,495	2,611,898	6,562,552
161 Land	250,059	-	36,852	-	159,000	445,911
162 Buildings	2,093,427	-	2,682,124	-	928,317	5,703,868
163 Furniture, Equipment & Machinery - Dwellings	33,740	-	12,205	-	305,968	351,913
166 Accumulated Depreciation	(1,647,842)	-	(1,274,311)	-	(700,027)	(3,622,180)
160 Total Capital Assets, Net of Accumulated Depreciation	729,384	-	1,456,870	-	693,258	2,879,512
174 Other Assets	-	20,000	-	-	-	20,000
180 Total Non-Current Assets	729,384	20,000	1,456,870	-	693,258	2,899,512
190 Total Assets	1,243,446	2,400,510	2,149,457	363,495	3,305,156	9,462,064
312 Accounts Payable <= 90 Days	1,089	28,159	709	67,618	204,919	302,494
321 Accrued Wage/Payroll Taxes Payable	3,848	44,452	5,336	8,673	-	62,309
322 Accrued Compensated Absences - Current Portion	1,252	17,785	3,083	6,694	-	28,814
325 Accrued Interest Payable	-	-	2,360	-	-	2,360
341 Tenant Security Deposits	4,464	-	10,744	-	-	15,208
342 Deferred Revenues	921	-	1,640	-	-	2,561
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	-	-	60,000	-	-	60,000
345 Other Current Liabilities	-	-	-	-	1,245	1,245
310 Total Current Liabilities	11,574	90,396	83,872	82,985	206,164	474,991
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	1,470,000	-	-	1,470,000
353 Non-current Liabilities - Other	-	253,096	-	135,400	-	388,496
354 Accrued Compensated Absences - Non Current	12,666	179,831	31,152	67,691	-	291,340
350 Total Non-Current Liabilities	12,666	432,927	1,501,152	203,091	-	2,149,836
300 Total Liabilities	24,240	523,323	1,585,024	286,076	206,164	2,624,827
508.1 Invested In Capital Assets, Net of Related Debt	729,384	-	(73,130)	-	693,258	1,349,512
511.1 Restricted Net Assets	-	1,684,544	-	-	-	1,684,544
512.1 Unrestricted Net Assets	489,822	192,643	637,563	77,419	2,405,734	3,803,181
513 Total Equity/Net Assets	1,219,206	1,877,187	564,433	77,419	3,098,992	6,837,237
600 Total Liabilities and Equity/Net Assets	\$ 1,243,446	\$ 2,400,510	\$ 2,149,457	\$ 363,495	\$ 3,305,156	\$ 9,462,064

COUNTY OF BERNALILLO, NEW MEXICO
 FINANCIAL DATA SCHEDULE - AS REQUIRED BY HUD
 YEAR ENDED JUNE 30, 2012

Financial Data Schedule - Revenue and Expenditures

Account Description	Seybold	Housing Choice Vouchers	El Centro	Home Rehabilitation	Central Office	Total
70300 Net Tenant Rental Revenue	\$ 42,921	\$ -	\$ 159,969	\$ -	\$ -	\$ 202,890
70600 HUD PHA Operating Grants	72,976	10,564,703	161,839	-	-	10,799,518
70610 Capital Grants	33,788	-	-	-	-	33,788
70750 Other Fees	-	-	-	-	8,169	8,169
70800 Other Government Grants	-	118,368	-	949,075	-	1,067,443
71100 Investment Income - Unrestricted	114	-	286	-	829	1,229
71400 Fraud Recovery	-	94,422	-	-	-	94,422
71500 Other Revenue	92,033	314,263	183,525	40,982	317,835	948,638
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	(6,945)	(6,945)
72000 Investment Income - Restricted	-	1,442	-	-	5,107	6,549
70000 Total Revenue	241,832	11,093,198	505,619	990,057	324,995	13,155,701
91100 Administrative Salaries	12,250	471,116	33,761	48,563	-	565,690
91200 Auditing Fees	582	8,006	816	1,186	-	10,590
91400 Advertising and Marketing	343	-	1,371	580	-	2,294
91500 Employee Benefit contributions - Administrative	6,681	205,925	15,995	17,902	-	246,503
91600 Office Expenses	403	9,666	3,146	1,349	-	14,564
91810 Allocated Overhead	25,668	459,789	64,367	39,540	-	589,364
91900 Other	3,058	3,972	9,713	300	-	17,043
91000 Total Operating - Administrative	48,985	1,158,474	129,169	109,420	-	1,446,048
92100 Tenant Services - Salaries	-	72,438	-	-	-	72,438
92300 Employee Benefit Contributions - Tenant Services	-	43,662	-	-	-	43,662
92500 Total Tenant Services	-	116,100	-	-	-	116,100
93100 Water	10,136	230	11,002	776	-	22,144
93200 Electricity	857	-	7,785	474	4	9,120
93300 Gas	540	-	9,595	485	34	10,654
93000 Total Utilities	11,533	230	28,382	1,735	38	41,918
94100 Ordinary Maintenance and Operations - Labor	30,698	-	38,397	48,967	-	118,062
94200 Ordinary Maintenance and Operations - Materials and Other	8,084	-	3,659	-	-	11,743
94300 Ordinary Maintenance and Operations Contracts	6,527	20,025	9,943	782,184	-	818,679
94500 Employee Benefit Contributions - Ordinary Maintenance	16,358	-	18,037	17,903	-	52,298
94000 Total Maintenance	61,667	20,025	70,036	849,054	-	1,000,782
96100 Total insurance Premiums	893	17,627	2,677	1,116	657	22,970
96200 Other General Expenses	-	18,067	-	1,119	-	19,186
96210 Compensated Absences	(11,232)	(14,319)	(2,535)	23,235	-	(4,851)
96400 Bad debt - Tenant Rents	-	-	19,110	-	-	19,110
96000 Total Other General Expenses	(11,232)	3,748	16,575	24,354	-	33,445
96710 Interest of Mortgage (or Bonds) Payable	-	-	57,838	-	7,144	64,982
96900 Total Operating Expenses	111,846	1,316,204	304,677	985,679	7,839	2,726,245
97000 Excess of Operating Revenue over Operating Expenses	129,986	9,776,994	200,942	4,378	317,156	10,429,456
97300 Housing Assistance Payments	-	11,226,422	-	-	-	11,226,422
97350 HAP Portability-In	-	104,114	-	-	-	104,114
97400 Depreciation Expense	44,915	-	99,380	-	60,446	204,741
90000 Total Expenses	156,761	12,646,740	404,057	985,679	68,285	14,261,522
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 85,071	\$ (1,553,542)	\$ 101,562	\$ 4,378	\$ 256,710	\$ (1,105,821)
11020 Required Annual Debt Principal Payments	-	-	60,000	-	-	60,000
11030 Beginning Equity	1,134,135	3,430,729	462,871	73,041	2,842,282	7,943,058
11170 Administrative Fee Equity	-	192,643	-	-	-	192,643
11180 Housing Assistance Payments Equity	-	1,684,544	-	-	-	1,684,544
11190 Unit Months Available	252	21,063	648	-	-	21,963
11210 Number of Unit Months Leased	249	21,063	644	-	-	21,956
11270 Excess Cash	498,871	-	-	-	-	498,871
11620 Building Purchases	33,788	-	-	-	-	33,788

**COUNTY OF BERNALILLO, NEW MEXICO
 FINANCIAL DATA SCHEDULE - DSAP RENEE's PROJECT
 YEAR ENDED JUNE 30, 2012**

Financial Data Schedule - Balance Sheet

Account Description	Special Needs Assistance NM0051B6B001 001	Special Needs Assistance NM0051B6B001 002	EDI Special Projects B09SPNM0032	Total
100 Total Cash - Restricted	\$ 5,065	\$ 6,490	\$ -	\$ 11,555
190 Total Assets	5,065	6,490	-	11,555
342 Deferred Revenues	5,065	6,490	-	11,555
300 Total Liabilities	5,065	6,490	-	11,555
600 Total Liabilities and Equity/Net Assets	\$ 5,065	\$ 6,490	\$ -	\$ 11,555

Financial Data Schedule - Revenue and Expenditures

Account Description	Special Needs Assistance NM0051B6B001 001	Special Needs Assistance NM0051B6B001 002	EDI Special Projects B09SPNM0032	Total
70800 Other Government Grants	\$ 40,732	\$ 4,490	\$ 5,422	\$ 50,644
70000 Total Revenue	40,732	4,490	5,422	50,644
91300 Management Fee	14,473	-	-	14,473
96900 Total Operating Expenses	14,473	-	-	14,473
97000 Excess of Operating Revenue over Operating Expenses	26,259	4,490	5,422	36,171
97300 Housing Assistance Payments	26,259	4,490	-	30,749
97600 Capital Outlays - Governmental Funds	-	-	5,422	5,422
90000 Total Expenses	26,259	4,490	5,422	36,171
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ -	\$ -	\$ -	\$ -

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF BANK ACCOUNTS
YEAR ENDED JUNE 30, 2012

Financial Institution: Account name	Type of Account	Bank Balance	(Checks) Deposits	Book Balance
Wells Fargo Bank				
Treasurer	Non-interest bearing checking	\$ 1,228,465	\$ -	\$ 1,228,465
Treasurer	Interest bearing savings	89,668,686	(2,459,123)	87,209,563
Treasurer	Interest bearing money market	16,110,683	-	16,110,683
General	Non-interest bearing checking	42,068	-	42,068
Housing Authority Accounts:				
Management	Non-interest bearing checking	36	-	36
Management	Non-interest bearing savings	1,487,658	-	1,487,658
Management	Non-interest bearing checking	1,105,434	(162,320)	943,114
Management	Non-interest bearing checking	54	-	54
Management	Investment	155,850	-	155,850
Seybold Village - 21 Unit Low Rent	Non-interest bearing checking	315,027	-	315,027
Seybold Village - 21 Unit Low Rent	Non-interest bearing savings	83	-	83
Section 8 Voucher Program	Non-interest bearing checking	2,141,460	(23,949)	2,117,511
Section 8 Voucher Program	Non-interest bearing savings	37	-	37
Section 8 Voucher Program	Non-interest bearing checking	278,597	-	278,597
Centro Familiar Trust	Non-interest bearing checking	184,215	-	184,215
Centro Familiar	Non-interest bearing checking	513,836	-	513,836
Centro Familiar	Non-interest bearing savings	57	-	57
Centro Familiar	Investment	-	-	-
Sheriff's Accounts:				
Evidence Fund	Non-interest bearing checking	521,382	-	521,382
Investigative Fund	Non-interest bearing checking	33,995	-	33,995
Federal Narcotics	Non-interest bearing checking	561,930	(70,497)	491,433
Trust Accounts:				
JYC Resident Trust	Non-interest bearing checking	1,329	-	1,329
MDC Inmate Trust	Non-interest bearing checking	834,545	-	834,545
Total bank and book balance		115,185,427	(2,715,889)	112,469,538
BBVA Compass				
Certificate of Deposit	Investment	2,500,000	-	2,500,000
Peoples Bank				
Certificate of Deposit	Investment	250,000	-	250,000
Rio Grande Credit Union				
Certificate of Deposit	Investment	250,000	-	250,000
Union Savings Bank				
Certificate of Deposit	Investment	2,000,000	-	2,000,000
Sandoval County				
Sandoval County Revenue Bond	Investment	4,412,320	-	4,412,320
Bank of Albuquerque				
Fannie Mae	Investment	5,000,000	-	5,000,000
Fannie Mae	Investment	5,000,000	-	5,000,000
Fannie Mae	Investment	5,024,050	-	5,024,050
Fannie Mae	Investment	5,043,000	-	5,043,000
Fannie Mae	Investment	5,043,000	-	5,043,000
Fannie Mae	Investment	4,969,000	-	4,969,000
Fannie Mae	Investment	4,969,000	-	4,969,000
Federal Home Loan Bank	Investment	5,006,800	-	5,006,800
Federal Home Loan Bank	Investment	4,991,750	-	4,991,750
Freddie Mac	Investment	5,059,750	-	5,059,750
Freddie Mac	Investment	5,060,650	-	5,060,650
Cortview Capital Securities, LLC				
Federal Home Loan Bank	Investment	6,498,572	-	6,498,572
FTN Financial				
Federal Home Loan Bank	Investment	5,008,950	-	5,008,950
Mutual Securities, Inc.				
Federal Home Loan Bank	Investment	3,981,080	-	3,981,080
Freddie Mac	Investment	2,079,393	-	2,079,393
Oppenheimer & Co., Inc.				
Fannie Mae	Investment	6,871,060	-	6,871,060
Fannie Mae	Investment	5,040,850	-	5,040,850
Fannie Mae	Investment	5,998,080	-	5,998,080
Fannie Mae	Investment	6,925,380	-	6,925,380
Federal Home Loan Bank	Investment	3,571,964	-	3,571,964
Federal Home Loan Bank	Investment	4,616,308	-	4,616,308
Federal Home Loan Bank	Investment	5,008,950	-	5,008,950

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF BANK ACCOUNTS
YEAR ENDED JUNE 30, 2012

Financial Institution: Account name	Type of Account	Bank Balance	(Checks) Deposits	Book Balance
Federal Home Loan Bank	Investment	5,000,450	-	5,000,450
Freddie Mac	Investment	7,047,180	-	7,047,180
Freddie Mac	Investment	6,781,271	-	6,781,271
Freddie Mac	Investment	5,034,850	-	5,034,850
Piper Jaffray & Co, Fannie Mae	Investment	10,079,600	-	10,079,600
Fannie Mae	Investment	5,033,700	-	5,033,700
Federal Farm Credit Agency	Investment	5,024,550	-	5,024,550
Shearson Financial Services, LLC Fannie Mae	Investment	6,947,929	-	6,947,929
Fannie Mae	Investment	5,686,520	-	5,686,520
Fannie Mae	Investment	6,033,300	-	6,033,300
Fannie Mae	Investment	905,391	-	905,391
Federal Home Loan Bank	Investment	5,007,050	-	5,007,050
Federal Home Loan Bank	Investment	2,076,568	-	2,076,568
Sterne, Agee & Leach, Inc. Freddie Mac	Investment	5,022,200	-	5,022,200
Freddie Mac	Investment	7,541,325	-	7,541,325
Wells Fargo Securities, LLC Fannie Mae	Investment	4,996,550	-	4,996,550
Bayerische Landesbank Girozentrale: Flex Repo - Reserve	Investment	1,693,500	-	1,693,500
Bayerische Hypo-und Vereinsbank AG: Flex Repo - Reserve	Investment	4,933,749	-	4,933,749
Westdeutsche Landesbank: Flex Repo - Reserve	Investment	4,615,582	-	4,615,582
Flex Repo - Reserve	Investment	5,438,448	-	5,438,448
Total Investments		<u>225,079,620</u>		<u>225,079,620</u>
Petty Cash on Hand				<u>1,667</u>
Total cash and investments per Note IVA		<u>\$ 340,265,047</u>		<u>\$ 337,550,825</u>

**COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2012**

	<u>Cusip No.</u>	<u>Maturity Date</u>	
<u>Wells Fargo</u>			
Non-interest bearing checking accounts			\$ 7,900,017
Non-interest bearing savings accounts			1,487,834
Interest bearing savings accounts			89,668,683
Less FDIC Coverage			<u>(2,228,756)</u>
Uninsured balance			<u>96,827,778</u>
Collateral requirement at 50%			<u>48,413,889</u>
Collateral held at Wells Fargo Bank Northwest, Ogden, Utah:			
FN AA0839	31416H4Z5	01/01/39	(18,419,000)
FN 889579	31410KJY1	05/01/38	(21,504,898)
FN AH7009	3138A8YF7	03/01/41	(8,563,339)
FN 940469	31413BJN2	06/01/37	(14,449,584)
FN AI4049	3138AHQB5	09/01/41	(18,025,532)
FN AE0949	31419BBT1	02/01/41	(43,865,544)
GN-II 4369	36202E2A6	02/01/39	(524,113)
GN-II 4369	36202E2A6	02/01/39	(55)
GN-II 4369	36202E2A6	02/01/39	(2,184,289)
GN-II 4369	36202E2A6	02/01/39	(187,899)
GN-II 4369	36202E2A6	02/01/39	(1,127,543)
GN-II 4369	36202E2A6	02/01/39	(321,328)
GN-II 4369	36202E2A6	02/01/39	(802,410)
GN-II 4369	36202E2A6	02/01/39	(34,675)
GN-II 4369	36202E2A6	02/01/39	(573,168)
GN-II 4369	36202E2A6	02/01/39	(38)
GN-II 4369	36202E2A6	02/01/39	(58)
GN-II 4369	36202E2A6	02/01/39	(38)
GN-II 4369	36202E2A6	02/01/39	(1,517,412)
GN-II 4369	36202E2A6	02/01/39	(84)
GN-II 4369	36202E2A6	02/01/39	<u>(284,169)</u>
			(132,385,179)
Uninsured and uncollateralized balance			<u>\$ -</u>
<u>Wells Fargo Trust</u>			
Money Market Account*			<u>\$ 16,110,683</u>
* Wells Fargo Trust Money Market Governmental MM Fund - Institutional carries the explicit guarantee of the US Government.			
<u>BBVA Compass</u>			
Certificate of Deposit			\$ 2,500,000
Less FDIC insurance			<u>(250,000)</u>
Uninsured balance			<u>2,250,000</u>
Collateralized requirement at 102%			<u>2,295,000</u>
Collateral held at BBVA Compass, Birmingham, AL:			
FNMA #618532F	31388YED0	11/01/31	(131,072)
FNMA ARM AL0860	3138EG5W0	04/01/38	<u>(2,205,827)</u>
			(2,336,899)
Uninsured and uncollateralized balance			<u>\$ -</u>
<u>Peoples Bank</u>			
Certificate of Deposit			\$ 250,000
Less FDIC insurance			<u>(250,000)</u>
Uninsured balance			<u>\$ -</u>
<u>Rio Grande Credit Union</u>			
Certificate of Deposit			\$ 250,000
Less FDIC insurance			<u>(250,000)</u>
Uninsured balance			<u>\$ -</u>

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2012

	<u>Cusip No.</u>	<u>Maturity Date</u>	
<u>Union Savings Bank</u>			
Certificate of Deposit			\$ 2,000,000
Less FDIC insurance			(250,000)
Uninsured balance			<u>1,750,000</u>
Collateralized requirement at 50%			<u>875,000</u>
Collateral held for Bernalillo County by Federal Home Loan Bank of Dallas:			
899043 Seasoned 15 yr	31410VZG8	02/01/22	(436,128)
Fannie Mae - MA0054	31417BY2	03/01/24	(379,329)
Ginnie Mae - 80790 Jan	36225C2Y1	12/20/33	(229,840)
Freddie Mac PC J09929	3128PNA65	06/01/24	(508,592)
Fannie Mae - 256803 20 yr	31371NGL3	07/01/27	(618,723)
			<u>(2,172,612)</u>
Uninsured and uncollateralized balance			<u>\$ -</u>
 <u>Bayerische Hypo- und Vereinsbank AG</u>			
Repurchase Agreement			\$ 4,933,749
Uninsured balance			<u>4,933,749</u>
Collateral requirement at 102%			<u>5,032,424</u>
Collateral held at The Bank of New York Mellon, New York, NY as Tri-Party Custodian			
2 1/2 Note J 15	912828MW7	03/31/15	(5,035,439)
			<u>(5,035,439)</u>
Uninsured and uncollateralized balance			<u>\$ -</u>
 <u>Westdeutsche Landsbank Girozentrale</u>			
Repurchase Agreement			\$ 4,615,582
Repurchase Agreement			<u>5,438,448</u>
Uninsured balance			<u>10,054,030</u>
Collateral requirement at 102%			<u>10,255,111</u>
Collateral held at Well Fargo Bank, Minneapolis, MN:			
GNMA	38373WHY7	03/16/32	(327,599)
GNMA	38374LCH2	05/20/35	(5,051,883)
GNMA	38375LT59	11/20/37	(5,078,062)
			<u>(10,457,544)</u>
Uninsured and uncollateralized balance			<u>\$ -</u>
 <u>Bayerische Landsbank Girozentrale</u>			
Repurchase Agreement			\$ 1,693,500
Collateral requirement at 102%			<u>1,727,370</u>
Collateral held at Wells Fargo Bank, Minneapolis, MN:			
United States Dept Veterans Affairs	911760SL1	12/15/30	(1,936,813)
			<u>(1,936,813)</u>
Uninsured and uncollateralized balance			<u>\$ -</u>
Total uninsured balance			<u>\$ -</u>
Total uncollateralized balance			<u>\$ -</u>

COUNTY OF BERNALILLO, NEW MEXICO
TAX ROLL RECONCILIATION
June 30, 2012

Property tax receivable, beginning of year	\$	56,552,555
Changes to Tax Roll:		
Net taxes charged to treasurer for fiscal year 2012 (Tax Year 2011)		603,294,433
Adjustments:		
Increase in taxes receivable		773,068
Charge off of taxes receivable		(12,177,311)
Increase in Cost to State		160,971
Increase in interest and penalties to State of NM		962,414
Increase in interest to County		3,314,114
Increase in penalties to County		1,367,159
Increase in interest to MRGCD		78,855
Increase in penalties to MRGCD		31,093
Elimination of tax year 2001		(1,263,854)
Total receivables prior to collections		653,093,497
Collections for fiscal year ended June 30, 2012 (Tax Years 2002-2011)		(598,913,162)
Collections for fiscal year ended June 30, 2012 (Tax Year 2001)		(49,165)
Property taxes receivable, end of year	<u>\$</u>	<u>54,131,170</u>

Property Taxes receivable by years:

2002	\$	890,595
2003		686,388
2004		749,065
2005		823,877
2006		868,289
2007		1,339,039
2008		2,992,914
2009		11,277,350
2010		12,090,096
2011		22,413,557
		<u>22,413,557</u>
Total taxes receivable	<u>\$</u>	<u>54,131,170</u>

COUNTY OF BERNALILLO, NEW MEXICO
PROPERTY TAX SCHEDULE
JUNE 30, 2012

Agency	Years	Property Taxes Levied	Collected in Current Year	Collected To-Date	MRGCD INT/PEN	MRGCD MRGTX	Re-Appraisal Fee	Distributed in Current Year	Distributed To-Date	Current Amount Deemed Uncollectible	To-Date Amount Uncollected	Undistributed at Year End	County Receivable at Year End
STATE													
STATE DEBT SERVICE	2002-2010	\$ 136,643,427	\$ 742,316	\$ 135,616,529	\$ -	\$ -	\$ 1,355,380	\$ 734,903	\$ 134,261,148	\$ 95,650	\$ 1,026,898	\$ 1,355,381	\$ 931,248
STATE DEBT SERVICE	2011	19,381,690	18,651,622	18,651,622	-	-	186,450	18,465,172	18,465,172	13,567	730,068	186,450	716,501
Total State Debt Service		156,025,117	19,393,938	154,268,151	-	-	1,541,830	19,200,075	152,726,320	109,217	1,756,966	1,541,831	1,647,749
TOTAL STATE		156,025,117	19,393,938	154,268,151	-	-	1,541,830	19,200,075	152,726,320	109,217	1,756,966	1,541,831	1,647,749
COUNTY													
COUNTY OPERATIONAL	2002-2010	824,259,059	4,669,266	817,878,557	-	-	8,178,786	4,622,573	809,699,770	576,981	6,380,502	8,178,787	5,803,521
COUNTY OPERATIONAL	2011	112,326,422	107,751,518	107,751,518	-	-	1,077,515	106,674,003	106,674,003	78,629	4,574,904	1,077,515	4,496,275
Total County Operational		936,585,481	112,420,784	925,630,075	-	-	9,256,301	111,296,576	916,373,773	655,610	10,955,406	9,256,302	10,299,796
COUNTY DEBT SERVICE	2002-2010	89,108,971	376,266	88,429,255	-	-	884,293	372,503	87,544,962	62,376	679,716	884,293	617,340
COUNTY DEBT SERVICE	2011	12,795,581	12,277,970	12,277,970	-	-	122,780	12,155,190	12,155,190	8,957	517,611	122,780	508,654
Total County Debt Service		101,904,552	12,654,236	100,707,225	-	-	1,007,073	12,527,693	99,700,152	71,333	1,197,327	1,007,073	1,125,994
COUNTY OPEN SPACE	2002-2010	18,617,771	55,536	18,525,844	-	-	185,258	54,981	18,340,586	13,032	91,927	185,258	78,895
COUNTY OPEN SPACE	2011	1,421,853	1,368,904	1,368,904	-	-	13,689	1,355,215	1,355,215	995	52,949	13,689	51,954
Total County Open Space		20,039,624	1,424,440	19,894,748	-	-	198,947	1,410,196	19,695,801	14,027	144,876	198,947	130,849
COUNTY JUDGEMENT	2002-2010	3,434,526	7,907	3,339,748	-	-	33,395	7,829	3,306,353	2,404	94,778	33,395	92,374
COUNTY JUDGEMENT	2011	142,185	177,961	177,961	-	-	1,780	176,181	176,181	100	(35,776)	1,780	(35,876)
Total County Judgement		3,576,711	185,868	3,517,709	-	-	35,175	184,010	3,482,534	2,504	59,002	35,175	56,498
COUNTY REAPPRAISAL FUND	2002-2010	-	-	-	-	-	-	-	39,196,409	-	-	(39,196,409)	-
COUNTY REAPPRAISAL FUND	2011	-	-	-	-	-	-	-	5,250,989	-	-	(5,250,989)	-
Total County Reappraisal Fund		-	-	-	-	-	-	-	44,447,398	-	-	(44,447,398)	-
TOTAL COUNTY		1,062,106,368	126,685,328	1,049,749,757	-	-	10,497,496	125,418,475	1,083,699,658	743,474	12,356,611	(33,949,901)	11,613,137
ALBUQUERQUE													
ABQ OPERATIONAL	2002-2010	359,917,154	2,562,544	356,872,639	-	-	3,568,726	2,536,919	353,303,913	251,942	3,044,515	3,568,726	2,792,573
ABQ OPERATIONAL	2011	76,785,517	74,249,003	74,249,003	-	-	742,490	73,506,513	73,506,513	53,750	2,536,514	742,490	2,482,764
Total ABQ Operational		436,702,671	76,811,547	431,121,642	-	-	4,311,216	76,043,432	426,810,426	305,692	5,581,029	4,311,216	5,275,337
ABQ DEBT SERVICE	2002-2010	635,350,411	2,160,992	631,894,243	-	-	6,318,942	2,139,382	625,575,300	444,745	3,456,168	6,318,943	3,011,423
ABQ DEBT SERVICE	2011	58,469,910	56,458,500	56,458,500	-	-	564,585	55,893,915	55,893,915	40,929	2,011,410	564,585	1,970,481
Total ABQ Debt Service		693,820,321	58,619,492	688,352,743	-	-	6,883,527	58,033,297	681,469,215	485,674	5,467,578	6,883,528	4,981,904
TOTAL ALBUQ		1,130,522,992	135,431,039	1,119,474,385	-	-	11,194,743	134,076,729	1,108,279,641	791,366	11,048,607	11,194,744	10,257,241
TIJERAS													
TIJERAS OPERATIONAL	2002-2010	101,783	556	99,045	-	-	990	550	98,054	71	2,738	991	2,667
TIJERAS OPERATIONAL	2011	14,533	13,246	13,246	-	-	132	13,114	13,114	10	1,287	132	1,277
Total Tijeras Operational		116,316	13,802	112,291	-	-	1,122	13,664	111,168	81	4,025	1,123	3,944
TOTAL TIJERAS		116,316	13,802	112,291	-	-	1,122	13,664	111,168	81	4,025	1,123	3,944

**COUNTY OF BERNALILLO, NEW MEXICO
PROPERTY TAX SCHEDULE
JUNE 30, 2012**

Agency	Years	Property Taxes Levied	Collected in Current Year	Collected To-Date	MRGCD INT/PEN	MRGCD MRGTX	Re-Appraisal Fee	Distributed in Current Year	Distributed To-Date	Current Amount Deemed Uncollectible	To-Date Amount Uncollected	Undistributed at Year End	County Receivable at Year End
CORRALES													
CORRALES OPERATIONAL	2002-2010	152,937	-	152,775	-	-	1,528	-	151,248	107	162	1,527	55
CORRALES OPERATIONAL	2011	-	-	-	-	-	-	-	-	-	-	-	-
Total Corrales Operational		152,937	-	152,775	-	-	1,528	-	151,248	107	162	1,527	55
CORRALES DEBT SERVICE	2002-2010	35,199	-	35,157	-	-	352	-	34,806	25	42	351	17
CORRALES DEBT SERVICE	2011	-	-	-	-	-	-	-	-	-	-	-	-
Total Corrales Debt Service		35,199	-	35,157	-	-	352	-	34,806	25	42	351	17
TOTAL CORRALES		188,136	-	187,932	-	-	1,880	-	186,054	132	204	1,878	72
RIO RANCHO													
RIO RANCHO OPERATIONAL	2002-2010	244,380	64	243,917	-	-	2,439	64	241,477	171	463	2,440	292
RIO RANCHO OPERATIONAL	2011	34,339	34,051	34,051	-	-	341	33,711	33,711	24	288	340	264
Total Rio Rancho Operational		278,719	34,115	277,968	-	-	2,780	33,775	275,188	195	751	2,780	556
RIO RANCHO DEBT SERVICE	2002-2010	127,618	39	127,223	-	-	1,272	39	125,951	89	395	1,272	306
RIO RANCHO DEBT SERVICE	2011	12,761	12,622	12,622	-	-	126	12,495	12,495	9	139	127	130
Total Rio Rancho Debt Service		140,379	12,661	139,845	-	-	1,398	12,534	138,446	98	534	1,399	436
TOTAL RIO RANCHO		419,098	46,776	417,813	-	-	4,178	46,309	413,634	293	1,285	4,179	992
LOS RANCHOS													
LOS RANCHOS DEBT SERVICE	2002-2010	825,486	7,735	814,459	-	-	8,145	7,657	806,314	578	11,027	8,145	10,449
LOS RANCHOS DEBT SERVICE	2011	208,660	201,063	201,063	-	-	2,011	199,052	199,052	146	7,597	2,011	7,451
Total Los Ranchos Debt Service		1,034,146	208,798	1,015,522	-	-	10,156	206,709	1,005,366	724	18,624	10,156	17,900
TOTAL LOS RANCHOS		1,034,146	208,798	1,015,522	-	-	10,156	206,709	1,005,366	724	18,624	10,156	17,900
SCHOOL APS													
APS OPERATIONAL	2002-2010	33,878,430	200,939	33,565,346	-	-	335,653	198,929	33,229,693	23,715	313,084	335,653	289,369
APS OPERATIONAL	2011	4,606,223	4,447,443	4,447,443	-	-	44,474	4,402,968	4,402,968	3,224	158,780	44,475	155,556
Total APS Operational		38,484,653	4,648,382	38,012,789	-	-	380,127	4,601,897	37,632,661	26,939	471,864	380,128	444,925
APS DEBT SERVICE	2002-2010	351,584,368	2,278,305	348,278,769	-	-	3,482,788	2,255,522	344,795,981	246,109	3,305,599	3,482,788	3,059,490
APS DEBT SERVICE	2011	56,882,583	54,692,963	54,692,963	-	-	546,930	54,146,033	54,146,033	39,818	2,189,620	546,930	2,149,802
Total APS Debt Service		408,466,951	56,971,268	402,971,732	-	-	4,029,718	56,401,555	398,942,014	285,927	5,495,219	4,029,718	5,209,292
APS CAP IMPROVEMENT	2002-2010	195,499,474	1,061,214	193,969,904	-	-	1,939,699	1,050,602	192,030,205	136,850	1,529,570	1,939,699	1,392,720
APS CAP IMPROVEMENT	2011	28,299,318	27,209,959	27,209,959	-	-	272,100	26,937,860	26,937,860	19,810	1,089,359	272,099	1,069,549
Total APS Cap Improvement		223,798,792	28,271,173	221,179,863	-	-	2,211,799	27,988,462	218,968,065	156,660	2,618,929	2,211,798	2,462,269
APS HB33 SCHOOL BLDG	2002-2010	428,871,495	2,183,960	425,977,461	-	-	4,259,775	2,162,120	421,717,686	300,210	2,894,034	4,259,775	2,593,824
APS HB33 SCHOOL BLDG	2011	56,575,165	54,409,945	54,409,945	-	-	544,099	53,865,845	53,865,845	39,603	2,165,220	544,100	2,125,617
Total APS HB33 School Bldg		485,446,660	56,593,905	480,387,406	-	-	4,803,874	56,027,965	475,583,531	339,813	5,059,254	4,803,875	4,719,441
APS ED TECH DEBT SERVICE	2011	4,102,479	3,998,929	3,998,929	-	-	39,989	3,958,939	3,958,939	2,872	103,550	39,990	100,678
Total APS ED tech debt service		4,102,479	3,998,929	3,998,929	-	-	39,989	3,958,939	3,958,939	2,872	103,550	39,990	100,678
TOTAL SCHOOL APS		1,160,299,535	150,483,657	1,146,550,719	-	-	11,465,507	148,978,818	1,135,085,210	812,211	13,748,816	11,465,509	12,936,605

COUNTY OF BERNALILLO, NEW MEXICO
PROPERTY TAX SCHEDULE
JUNE 30, 2012

Agency	Years	Property Taxes Levied	Collected in Current Year	Collected To-Date	MRGCD INT/PEN	MRGCD MRGTX	Re-Appraisal Fee	Distributed in Current Year	Distributed To-Date	Current Amount Deemed Uncollectible	To-Date Amount Uncollected	Undistributed at Year End	County Receivable at Year End
SCHOOL 08													
SD 08 OPERATIONAL	2002-2010	443	-	442	-	-	4	-	438	-	1	-	1
SD 08 OPERATIONAL	2011	47	47	47	-	-	-	46	46	-	-	-	-
Total School 08 Operational		490	47	489	-	-	4	46	484	-	1	-	1
SD 08 DEBT SERVICE	2002-2010	7,347	-	7,347	-	-	73	-	7,273	5	-	74	(5)
SD 08 DEBT SERVICE	2011	823	823	823	-	-	8	815	815	1	-	8	(1)
Total School 08 Debt Service		8,170	823	8,170	-	-	81	815	8,088	6	-	82	(6)
SD 08 CAP IMPROVEMENT	2002-2010	1,818	-	1,819	-	-	18	-	1,800	1	(1)	19	(2)
SD 08 CAP IMPROVEMENT	2011	186	186	186	-	-	2	184	184	-	-	-	-
Total School 08 Improvement		2,004	186	2,005	-	-	20	184	1,984	1	(1)	19	(2)
TOTAL SCHOOL 08		10,664	1,056	10,664	-	-	105	1,045	10,556	7	-	101	(7)
SCHOOL 24													
SD 24 OPERATIONAL	2002-2010	227,537	3,730	225,359	-	-	2,254	3,693	223,105	159	2,178	2,254	2,019
SD 24 OPERATIONAL	2011	33,842	31,410	31,410	-	-	314	31,096	31,096	24	2,432	314	2,408
Total SD 24 Operational		261,379	35,140	256,769	-	-	2,568	34,789	254,201	183	4,610	2,568	4,427
SD 24 DEBT SERVICE	2002-2010	4,970,872	67,874	4,922,613	-	-	49,226	67,195	4,873,387	3,480	48,259	49,226	44,779
SD 24 DEBT SERVICE	2011	784,461	741,948	741,948	-	-	7,419	734,528	734,528	549	42,513	7,420	41,964
Total SD 24 Debt Service		5,755,333	809,822	5,664,561	-	-	56,645	801,723	5,607,915	4,029	90,772	56,646	86,743
SD 24 CAP IMPROVEMENT	2002-2010	1,214,062	16,428	1,203,022	-	-	12,030	16,264	1,190,992	850	11,040	12,030	10,190
SD 24 CAP IMPROVEMENT	2011	175,975	166,186	166,186	-	-	1,662	164,524	164,524	123	9,789	1,662	9,666
Total SD 24 Cap Improvement		1,390,037	182,614	1,369,208	-	-	13,692	180,788	1,355,516	973	20,829	13,692	19,856
TOTAL SCHOOL 24		7,406,749	1,027,576	7,290,538	-	-	72,905	1,017,300	7,217,632	5,185	116,211	72,906	111,026
CNM													
CNM	2002-2010	281,692,146	1,478,196	279,564,936	-	-	-	1,478,196	279,564,936	197,185	2,127,210	-	1,930,025
CNM	2011	39,193,731	37,691,293	37,691,293	-	-	-	37,691,293	37,691,293	27,436	1,502,438	-	1,475,002
Total CNM		320,885,877	39,169,489	317,256,229	-	-	-	39,169,489	317,256,229	224,621	3,629,648	-	3,405,027
CNM DEBT SERVICE	2002-2010	59,023,007	292,125	58,618,431	-	-	-	292,125	58,618,431	41,316	404,576	-	363,260
CNM DEBT SERVICE	2011	7,768,924	7,482,739	7,482,739	-	-	-	7,482,739	7,482,739	5,438	286,185	-	280,747
Total CNM Debt Service		66,791,931	7,774,864	66,101,170	-	-	-	7,774,864	66,101,170	46,754	690,761	-	644,007
TOTAL CNM		387,677,808	46,944,353	383,357,399	-	-	-	46,944,353	383,357,399	271,375	4,320,409	-	4,049,034
UNMH													
UNMH	2002-2010	694,705,206	3,455,765	689,722,340	-	-	6,897,223	3,421,207	682,825,117	486,294	4,982,866	6,897,223	4,496,572
UNMH	2011	91,032,401	87,609,863	87,609,863	-	-	876,099	86,733,764	86,733,764	63,723	3,422,538	876,099	3,358,815
Total UNMH		785,737,607	91,065,628	777,332,203	-	-	7,773,322	90,154,971	769,558,881	550,017	8,405,404	7,773,322	7,855,387
TOTAL UNMH		785,737,607	91,065,628	777,332,203	-	-	7,773,322	90,154,971	769,558,881	550,017	8,405,404	7,773,322	7,855,387

COUNTY OF BERNALILLO, NEW MEXICO
 PROPERTY TAX SCHEDULE
 JUNE 30, 2012

Agency	Years	Property Taxes Levied	Collected in Current Year	Collected To-Date	MRGCD INT/PEN	MRGCD MRGTX	Re-Appraisal Fee	Distributed in Current Year	Distributed To-Date	Current Amount Deemed Uncollectible	To-Date Amount Uncollected	Undistributed at Year End	County Receivable at Year End
AMAFCA													
AFC OPERATIONAL	2002-2010	26,281,279	167,957	26,032,524	-	-	260,325	166,278	25,772,199	18,397	248,755	260,325	230,358
AFC OPERATIONAL	2011	3,459,355	3,316,136	3,316,136	-	-	33,161	3,282,975	3,282,975	2,422	143,210	33,161	140,797
Total AFC Operational		29,740,634	3,484,093	29,348,660	-	-	293,486	3,449,253	29,055,174	20,819	391,965	293,486	371,155
AFC DEBT	2002-2010	69,864,508	346,341	69,399,033	-	-	693,990	342,878	68,705,043	48,905	465,475	693,990	416,570
AFC DEBT	2011	9,213,109	8,861,754	8,861,754	-	-	88,617	8,773,136	8,773,136	6,449	351,355	88,618	344,906
Total AFC Debt		79,077,617	9,208,095	78,260,787	-	-	782,607	9,116,014	77,478,179	55,354	816,830	782,608	761,476
TOTAL AMAFCA		108,818,251	12,692,188	107,609,447	-	-	1,076,093	12,565,267	106,533,353	76,173	1,208,795	1,076,094	1,132,631
MRGCD													
MRGCD	2002-2010	72,556,997	503,029	71,971,385	797,908	718,695	713,536	583,478	71,337,062	50,790	585,612	713,536	534,822
MRGCD	2011	8,908,514	8,367,005	8,367,005	18,390	83,584	82,919	8,218,891	8,218,891	6,236	541,509	82,919	535,273
Total MRGCD		81,465,511	8,870,034	80,338,390	816,298	802,279	796,455	8,802,369	79,555,953	57,026	1,127,121	796,455	1,070,095
TOTAL MRGCD		81,465,511	8,870,034	80,338,390	816,298	802,279	796,455	8,802,369	79,555,953	57,026	1,127,121	796,455	1,070,095
EDGE S/W													
ESWCD	2002-2010	1,040,780	4,846	1,030,745	-	-	10,307	4,797	1,020,438	729	10,035	10,307	9,306
ESWCD	2011	137,598	129,541	129,541	-	-	1,295	128,245	128,245	96	8,057	1,296	7,961
Total ESWCD		1,178,378	134,387	1,160,286	-	-	11,602	133,042	1,148,683	825	18,092	11,603	17,267
TOTAL EDGE S/W		1,178,378	134,387	1,160,286	-	-	11,602	133,042	1,148,683	825	18,092	11,603	17,267
GRAND TOTAL		\$ 4,883,006,676	\$ 592,998,560	\$ 4,828,875,497	\$ 816,298	\$ 802,279	\$ 44,447,394	\$ 587,559,126	\$ 4,828,889,508	\$ 3,418,106	\$ 54,131,170	\$ -	\$ 50,713,073

**COUNTY OF BERNALILLO, NEW MEXICO
JOINT POWERS AGREEMENTS
JUNE 30, 2012**

Participants	Responsible Party	Description	Beginning Date	Ending Date	Project Amount	County Portion	Current Year Contributions	Audit Responsibility
City of Albuquerque Board of Education	Bernalillo County	Rio Grande Swimming Pool - Construction and Maintenance CCN 76-0008	1976	04-06-2051	\$680,000	\$250,000	\$86,054.78	Bernalillo County
City of Albuquerque	Both Parties	Child Abuse Council CCN 83-0017	1983	90-Day Notice	Not specified	Not specified	Unknown	City of Albuquerque
Village of Tijeras	Bernalillo County	Animal Control Services CCN 84-0043	1984	30-Day Notice	Varies Yearly	Not specified	Unknown	Not specified
City of Albuquerque Village of Los Ranchos Village of Tijeras	City of Albuquerque	Albuquerque/Bernalillo County Board of Aging CCN 84-0099	1984	6-Month Notice	Not specified	Not specified	Unknown	City of Albuquerque
City of Albuquerque	Both Parties	Law Enforcement Center CCN 86-0063 & 88-0161	1986	6-Month Notice	Not specified	Varies yearly	Unknown	Both Parties
New Mexico County Insurance Authority	Board of Directors	Workers Compensation Fund CCN 87-0034	1987	Indefinite	Varies yearly	Unknown	\$664,839	Board of Directors
New Mexico County Insurance Authority	Board of Directors	Multi-line Self-Insurance Fund CCN 92-0424	1989	Indefinite	Varies yearly	Unknown	\$4,055,838	Board of Directors
City of Albuquerque	City of Albuquerque	Motor Vehicle Emissions Inspection Maintenance Program CCN 87-0121	1987	180-Day Notice	Varies yearly	20% of city's yearly project budget	Unknown	Both Parties
City of Albuquerque	City of Albuquerque	Development/Maintenance of A Emergency Response Plan CCN 90-0207	1988	30-Day Notice	Varies yearly	25% of city's annual approved project budget	Unknown	Both Parties
City of Albuquerque	City of Albuquerque	City/County Building CCN 1989-0174 CCN 2006-0693 & 2011-0733	2006	Indefinite	Not specified	Annual Rent Utilities	862,538	Both Parties
City of Albuquerque	Both Parties	Emergency Medical Services CCN 1991-0239	1991	180-Day Notice	Varies yearly	Varies yearly	Unknown	Both Parties
NM Energy, Minerals, And Natural Resources Department	Bernalillo County	Administer Federal Land and Water Conservation Fund Act Maintain Park in Tijeras CCN 1992-0178	1992	10-Day Written Notice	\$17,000	Maintain park Property and Buildings.	Unknown	EMNRD, DFA State Auditor

**COUNTY OF BERNALILLO, NEW MEXICO
JOINT POWERS AGREEMENTS
JUNE 30, 2012**

Participants	Responsible Party	Description	Beginnin Date	Ending Date	Project Amount	County Portion	Current Year Contributions	Audit Responsibility
City of Albuquerque Commissioner of Public Lands for NM AMAFCA	Commissioner of Public Lands for New Mexico	South Eubank Landfill Stabilization CCN 93-0367	1993	Silent	Not specified	Not to exceed \$200,000	Unknown	Not specified
Village of Tijeras	Bernalillo County	East Mountain Transfer Station CCN 93-0130	1993	30-Day Notice	Not specified	Maintain Transfer Station In safe Condition	\$0	Both Parties
City of Albuquerque AMAFCA	Both Parties	Flood Damage Prevention CCN 93-0451 & 95-0191	1993	30-Day Notice	Not specified	Half of the costs	Unknown	Both Parties
City of Rio Rancho City of Albuquerque Village of Tijeras Village of Los Ranchos	All Parties	Unified Library System CCN 93-0516 & 2003-0589 & 2006-0421 & 2012-0069	1993	60-Day Notice	Not specified	Not specified	\$1,529,263	All Parties
City of Bernalillo	Bernalillo County	Summer Lunch Program CCN 95-0215	1995	90-Day Notice	Varies yearly	Administer Program	\$0	Bernalillo County
New Mexico Highway And Transportation Department	Both Parties	Alameda Boulevard Landscaping Maintenance CCN 1995-0531	1995	Indefinite	\$1,250,000	Maintenance services	Unknown	Not specified
City of Albuquerque Village of Los Ranchos, Village of Tijeras	City of Albuquerque	Conduct of Community Programs on Aging CCN 1995-0739	1995	90-Day Notice	Not specified	Not specified	Unknown	City of Albuquerque
City of Albuquerque	Both Parties	Joint Metropolitan Forensic Services Center CCN 1999-0226, 2005-0688	1999	90-Day Notice	\$12,000,000	Varies yearly	\$0	City of Albuquerque
AMAFCA New Mexico State Highway Department	AMAFCA Bernalillo County	2 nd Street-Pueblo Solano, Pueblo Luna, and Ortega Drain Outfall CCN 1999-0528	2000	30-Day Notice	Not specified	Maintenance of drainage improve- ments	Unknown	Not specified

**COUNTY OF BERNALILLO, NEW MEXICO
JOINT POWERS AGREEMENTS
JUNE 30, 2012**

Participants	Responsible Party	Description	Beginning Date	Ending Date	Project Amount	County Portion	Current Year Contributions	Audit Responsibility
NM Energy, Minerals & Natural Resources Department	Both Parties	Mobilization of Wildland Fire Protection & Resources CCN 2000-0071	2000	30-Day Notice	Not specified	Not specified	Unknown	Both Parties, DFA, State Auditor
New Mexico State Highway & Transportation Department Pueblo of Sandia	Bernalillo County	Traffic Signal at Intersection NM 556 CCN 2001-0114	2000	Indefinite	Not specified	Not specified	Unknown	Not specified
NM Regulation & Licensing Department And Construction Industries Division	Bernalillo County	Regulation of Public Buildings Within Geographical Boundary Of NMPS CCN 2001-0164	2001	30-Day Notice	Not specified	Not specified	Unknown	Independent accreditation agency
City of Albuquerque	Both Parties	Metropolitan Criminal Justice Services Coordinating Council MCJJC CCN 2003-0385	1999	90-Day Notice	Not specified	Not specified	Unknown	Both Parties, DFA, State Auditor
City of Albuquerque and Albuquerque-Bernalillo Water Utility Authority	City of Albuquerque	Set forth the procedures for the Issuance of revenue bonds or Other obligations needed to Finance the utility capital needs CCN 2003-0673	02-25-04	By consent of Parties.	Various	None	None	City of Albuquerque
New Mexico Energy, Minerals and Natural Resource	Bernalillo County And EMNRD	Suppression of wildfires on State and non-municipal Private lands CCN 2004-0003 & CCN 2009-0775	12-13-04	30-Day Written Notice	Not specified	Unknown	Unknown	EMNRD
Hubbell House Alliance	Bernalillo County And Hubbell House Alliance	Improvements, maintenance, And education for history Of Hubbell House and Property CCN 2004-0166	04-21-04	60-Day Notice	Not Specified	None	None	Hubbell House Alliance
City of Albuquerque Bernalillo County Water Utility Authority	City of Albuquerque Bernalillo County Water Utility Authority	City, County & Authority Have right-of-way eminent Domain powers CCN2004-0692	09-22-04	Indefinite	Not Specified	Unknown	Unknown	All Parties

**COUNTY OF BERNALILLO, NEW MEXICO
JOINT POWERS AGREEMENTS
JUNE 30, 2012**

Participants	Responsible Party	Description	Beginning Date	Ending Date	Project Amount	County Portion	Current Year Contributions	Audit Responsibility
City of Albuquerque	Bernalillo County	Effectuate Admin. Efficiency Of Public Buildings CCN 2005-0117	04-12-05	Indefinite	Not Specified	None	Unknown	Bernalillo County
Valencia County	Bernalillo County	Assist Valencia in developing, implementing, and operating a juvenile Community custody program CCN 2007-0430	06-26-07	30 day notice	unknown	unknown	None	All Parties
Sandoval County	Bernalillo County	Operation of Regional Juvenile Detention Center CCN 2007-0432	06-27-07	6 month notice	Unknown	Unknown	Unknown	Bernalillo County
New Mexico Children, Youth, and Families Department	Bernalillo County	Active collaboration between Parties in supporting and Implementing the Juvenile Detention Alternatives Initiative CCN2007-0560	10-21-07	30-Day Notice	Not Specified	Unknown	\$0	All Parties
New Mexico Dept. of Public Safety/New Mexico State Police	Bernalillo County Communications	Upgrade E911 equipment at DPS and PSAP to handle Wireless calls CCN2007-0608 & CCN 2010-011	12-27-07	60-Day Notice.	\$670,239	Unknown	\$0	Bernalillo County
New Mexico Energy, Minerals and Natural Resources Dept	Bernalillo County Open Space	Provide use of inmate crews To perform natural resource Improvements and vocational Training for inmates CCN2008-0106	03-20-08	10-Day Notice.	Unknown	Unknown	\$0	Bernalillo County
Village of Los Ranchos	Bernalillo County	Residential & commercial construction within the geographical boundaries of the Village CCN2009-0722	11-24-2009	30- Day Written Notice	Unknown	Unknown	\$0	Bernalillo County
Village of Los Ranchos	Bernalillo County	Provision of Fire Protection at the County for the Village of Los Ranchos CCN2009-0669	09/09/2009	60 -day Written Notice	Unknown	None	\$440,000	Bernalillo County

**COUNTY OF BERNALILLO, NEW MEXICO
JOINT POWERS AGREEMENTS
JUNE 30, 2012**

Village of Los Ranchos	Bernalillo County	Share resources and responsibility in public safety issues within the Village of Los Ranchos	06/28/2011	90-Day Written Notice	Unknown	None	\$10,000	Bernalillo county
Hubbell House Alliance	Bernalillo County	Use, support and develop the Gutierrez Hubbell House Property CCN 2010-0034	2-26-2010	2-26-2014	Unknown	Unknown	\$0	Bernalillo County
Village of Los Ranchos	Bernalillo County	Equipment, Training and One time transfer of titles for 3 cars and 2 motorcycles CCN2011-0279	06/28/2011	6/27/2013	\$50,531 Varies yearly	Unknown	\$0	Bernalillo County
UNM Continuing Education	Bernalillo County	Training Assessment for Clerk's Office CCN 2011-0801	12/01/2011	3/30/2012	\$5,000	\$5,000	\$5,000	Bernalillo County
NM State University US Dept. of Agriculture	Bernalillo County	Extension Service work in Agriculture, home econ. And Related areas in the State of New Mexico CNN 2011-0251	07/01/2011	6/30/2012	\$599,778	\$199,926	\$199,926	Bernalillo County
Albuquerque Public School	Bernalillo County	The ZIA Family Focus Ctr. CCN 2011-0480	07/01/2011	6/30/2012	\$20,000	\$20,000	\$20,000	Bernalillo County
Board of Regents of The University of New Mexico	Bernalillo County	KNME Ready to Learn Program CCN 201-0276	7/01/2011	6/30/2012	35,000.00	35,000.00	28,525	Bernalillo County

COUNTY OF BERNALILLO, NEW MEXICO
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
TREASURER				
CHILDREN'S TRUST FUND				
ASSETS				
Cash and investments	\$ -	\$ 146,198	\$ 146,198	\$ -
Total assets	<u>-</u>	<u>146,198</u>	<u>146,198</u>	<u>-</u>
LIABILITIES				
Other Liabilities	2,659	3,814	2,659	3,814
Deposits held in trust for others	(2,659)	142,384	143,539	(3,814)
Total liabilities	<u>-</u>	<u>146,198</u>	<u>146,198</u>	<u>-</u>
TREASURER				
REFUND OVERPAYMENTS FUND				
ASSETS				
Cash and investments	2,348,408	6,510,075	5,453,245	3,405,238
Total assets	<u>2,348,408</u>	<u>6,510,075</u>	<u>5,453,245</u>	<u>3,405,238</u>
LIABILITIES				
Deposits held in trust for others	2,348,408	6,510,075	5,453,245	3,405,238
Total liabilities	<u>2,348,408</u>	<u>6,510,075</u>	<u>5,453,245</u>	<u>3,405,238</u>
TREASURER				
VALUATION PROBLEMS FUND				
ASSETS				
Cash and investments	8,401	-	-	8,401
Total assets	<u>8,401</u>	<u>-</u>	<u>-</u>	<u>8,401</u>
LIABILITIES				
Deposits held in trust for others	8,401	-	-	8,401
Total liabilities	<u>8,401</u>	<u>-</u>	<u>-</u>	<u>8,401</u>
TREASURER				
PARTIAL PAYMENTS FUND				
ASSETS				
Cash and investments	58,175	-	-	58,175
Total assets	<u>58,175</u>	<u>-</u>	<u>-</u>	<u>58,175</u>
LIABILITIES				
Deposits held in trust for others	58,175	-	-	58,175
Total liabilities	<u>58,175</u>	<u>-</u>	<u>-</u>	<u>58,175</u>
TREASURER				
TAXES PAID IN ADVANCE FUND				
ASSETS				
Cash and investments	126,075	125,266	124,369	126,972
Total assets	<u>126,075</u>	<u>125,266</u>	<u>124,369</u>	<u>126,972</u>
LIABILITIES				
Deposits held in trust for others	126,075	125,266	124,369	126,972
Total liabilities	<u>126,075</u>	<u>125,266</u>	<u>124,369</u>	<u>126,972</u>
TREASURER				
CLAIM FOR REFUND IOI FUND				
ASSETS				
Cash and investments	275,974	298,116	69,967	504,123
Receivables - other	50,293	27,371	50,292	27,372
Total assets	<u>326,267</u>	<u>325,487</u>	<u>120,259</u>	<u>531,495</u>
LIABILITIES				
Deposits held in trust for others	326,267	325,487	120,259	531,495
Total liabilities	<u>\$ 326,267</u>	<u>\$ 325,487</u>	<u>\$ 120,259</u>	<u>\$ 531,495</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
 AGENCY FUNDS
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
TREASURER				
UNDISTRIBUTED TAXES				
ASSETS				
Cash and investments	\$ 6,457,741	\$ 1,088,832,716	\$ 1,088,414,958	\$ 6,875,499
Receivables - Property taxes	41,281,006	44,318,568	46,499,633	39,099,941
Total assets	<u>47,738,747</u>	<u>1,133,151,284</u>	<u>1,134,914,591</u>	<u>45,975,440</u>
LIABILITIES				
Deposits held in trust for others	6,457,741	1,088,832,716	1,088,414,958	6,875,499
Future taxes collectible	41,281,006	44,318,568	46,499,633	39,099,941
Total liabilities	<u>47,738,747</u>	<u>1,133,151,284</u>	<u>1,134,914,591</u>	<u>45,975,440</u>
TREASURER				
NSF APPLIES FUND				
ASSETS				
Cash and investments	3,291	-	-	3,291
Total assets	<u>3,291</u>	<u>-</u>	<u>-</u>	<u>3,291</u>
LIABILITIES				
Deposits held in trust for others	3,291	-	-	3,291
Total liabilities	<u>3,291</u>	<u>-</u>	<u>-</u>	<u>3,291</u>
TREASURER				
CLAIM FOR REFUND FUND				
ASSETS				
Cash and investments	7,933,164	528,257	975,350	7,486,071
Total assets	<u>7,933,164</u>	<u>528,257</u>	<u>975,350</u>	<u>7,486,071</u>
LIABILITIES				
Deposits held in trust for others	7,933,164	528,257	975,350	7,486,071
Total liabilities	<u>7,933,164</u>	<u>528,257</u>	<u>975,350</u>	<u>7,486,071</u>
TREASURER				
TRUST AND ESCROW FUND				
ASSETS				
Cash and investments	2,859	-	-	2,859
Total assets	<u>2,859</u>	<u>-</u>	<u>-</u>	<u>2,859</u>
LIABILITIES				
Deposits held in trust for others	2,859	-	-	2,859
Total liabilities	<u>2,859</u>	<u>-</u>	<u>-</u>	<u>2,859</u>
TOTAL - TREASURER				
TREASURER				
ASSETS				
Cash and investments	17,214,088	1,096,440,628	1,095,184,087	18,470,629
Receivables - Property taxes	41,281,006	44,318,568	46,499,633	39,099,941
Receivables - other	50,293	27,371	50,292	27,372
Total assets	<u>58,545,387</u>	<u>1,140,786,567</u>	<u>1,141,734,012</u>	<u>57,597,942</u>
LIABILITIES				
Deposits held in trust for others	17,261,722	1,096,464,185	1,095,231,720	18,494,187
Other Liabilities	2,659	3,814	2,659	3,814
Future taxes collectible	41,281,006	44,318,568	46,499,633	39,099,941
Total liabilities	<u>58,545,387</u>	<u>1,140,786,567</u>	<u>1,141,734,012</u>	<u>57,597,942</u>
COURT SERVICES FUNDS				
ASSETS				
Cash and investments	1,684	122,883	124,567	-
Total assets	<u>1,684</u>	<u>122,883</u>	<u>124,567</u>	<u>-</u>
LIABILITIES				
Other Liabilities	-	1,162	-	1,162
Deposits held in trust for others	1,684	121,721	124,567	(1,162)
Total liabilities	<u>\$ 1,684</u>	<u>\$ 122,883</u>	<u>\$ 124,567</u>	<u>\$ -</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
COUNTY SHERIFF FUND				
ASSETS				
Cash and investments	\$ 520,754	\$ 59,769	\$ 68,916	\$ 511,607
Total assets	<u>520,754</u>	<u>59,769</u>	<u>68,916</u>	<u>511,607</u>
LIABILITIES				
Deposits held in trust for others	520,754	59,769	68,916	511,607
Total liabilities	<u>520,754</u>	<u>59,769</u>	<u>68,916</u>	<u>511,607</u>
Inmate MDC				
ASSETS				
Cash and investments	445,189	3,208,216	2,818,859	834,546
Total assets	<u>445,189</u>	<u>3,208,216</u>	<u>2,818,859</u>	<u>834,546</u>
LIABILITIES				
Deposit held in trust for others	445,189	3,208,216	2,818,859	834,546
Total liabilities	<u>445,189</u>	<u>3,208,216</u>	<u>2,818,859</u>	<u>834,546</u>
Resident JDYSC				
ASSETS				
Cash and investments	15,178	45,141	58,991	1,328
Total assets	<u>15,178</u>	<u>45,141</u>	<u>58,991</u>	<u>1,328</u>
LIABILITIES				
Deposit held in trust for others	15,178	45,141	58,991	1,328
Total liabilities	<u>15,178</u>	<u>45,141</u>	<u>58,991</u>	<u>1,328</u>
Regional Transit Fund				
ASSETS				
Cash and investments	-	25,894,182	25,894,182	-
Receivables -other	3,641,449	3,539,056	3,641,449	3,539,056
Total assets	<u>3,641,449</u>	<u>29,433,238</u>	<u>29,535,631</u>	<u>3,539,056</u>
LIABILITIES				
Deposit held in trust for others	-	25,894,182	25,894,182	-
Future taxes collectible	3,641,449	3,539,056	3,641,449	3,539,056
Total liabilities	<u>3,641,449</u>	<u>29,433,238</u>	<u>29,535,631</u>	<u>3,539,056</u>
SPECIAL ASSESSMENTS				
DISTRICT 83-1A				
ASSETS				
Cash and investments	667,320	16,659	248,700	435,279
Receivables-other	143,719	17,962	16,659	145,022
Total assets	<u>811,039</u>	<u>34,621</u>	<u>265,359</u>	<u>580,301</u>
LIABILITIES				
Deposits held in trust for others	811,039	34,621	265,359	580,301
Total liabilities	<u>811,039</u>	<u>34,621</u>	<u>265,359</u>	<u>580,301</u>
SPECIAL ASSESSMENTS				
DISTRICT 83-1B				
ASSETS				
Cash and investments	37,838	150,000	187,031	807
Receivables - Property taxes	1,365,000	1,260,000	1,365,000	1,260,000
Total assets	<u>1,402,838</u>	<u>1,410,000</u>	<u>1,552,031</u>	<u>1,260,807</u>
LIABILITIES				
Deposits held in trust for others	37,838	150,000	187,031	807
Future taxes collectible	1,365,000	1,260,000	1,365,000	1,260,000
Total liabilities	<u>1,402,838</u>	<u>1,410,000</u>	<u>1,552,031</u>	<u>1,260,807</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash and investments	18,902,051	1,125,937,478	1,124,585,333	20,254,196
Receivables - Property taxes	42,646,006	45,578,568	47,864,633	40,359,941
Receivables - other	3,835,461	3,584,389	3,708,400	3,711,450
Total assets	<u>65,383,518</u>	<u>1,175,100,435</u>	<u>1,176,158,366</u>	<u>64,325,587</u>
LIABILITIES				
Deposits held in trust for others	19,093,404	1,125,977,835	1,124,649,625	20,421,614
Other Liabilities	2,659	4,976	2,659	4,976
Future taxes collectible	46,287,455	49,117,624	51,506,082	43,898,997
Total liabilities	<u>\$ 65,383,518</u>	<u>\$ 1,175,100,435</u>	<u>\$ 1,176,158,366</u>	<u>\$ 64,325,587</u>

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

Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	145
Revenue Capacity These schedules present information to help the reader assess the County's most significant local revenue source, the property tax.	157
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.	161
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	167
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County's provides and the activities it performs.	169

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented Governmental Accounting Standards Board Statement No. 34 in 2002; therefore, schedules presenting government-wide information began in that year.

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 357,168,323	\$ 344,670,560	\$ 353,608,399	\$ 356,558,834
Restricted	140,368,833	137,871,142	139,516,367	127,980,308
Unrestricted	113,248,057	114,602,118	109,237,450	85,572,706
Total governmental activities net of related debt	<u>\$ 610,785,213</u>	<u>\$ 597,143,820</u>	<u>\$ 602,362,216</u>	<u>\$ 570,111,848</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 3,294,085	\$ 3,238,600	\$ 2,001,499	\$ 2,358,904
Unrestricted	2,506,867	1,594,706	2,429,715	1,999,241
Total business-type activities	<u>\$ 5,800,952</u>	<u>\$ 4,833,306</u>	<u>\$ 4,431,214</u>	<u>\$ 4,358,145</u>
Primary government				
Invested in capital assets, net of related debt	\$ 360,462,408	\$ 347,909,160	\$ 355,609,898	\$ 358,917,738
Restricted	140,368,833	137,871,142	139,516,367	127,980,308
Unrestricted	115,754,924	116,196,824	111,667,165	87,571,947
Total primary government net assets	<u>\$ 616,586,165</u>	<u>\$ 601,977,126</u>	<u>\$ 606,793,430</u>	<u>\$ 574,469,993</u>

2008	2007	2006	2005	2004	2003
\$ 308,271,760	\$ 299,526,749	\$ 259,799,155	\$ 256,203,651	\$ 262,781,593	\$ 258,269,827
146,792,506	106,094,221	43,396,414	49,216,804	47,164,322	23,926,773
94,132,470	70,097,399	83,841,598	59,844,194	36,256,788	42,837,998
<u>\$ 549,196,736</u>	<u>\$ 475,718,369</u>	<u>\$ 387,037,167</u>	<u>\$ 365,264,649</u>	<u>\$ 346,202,703</u>	<u>\$ 325,034,598</u>
\$ 2,839,330	\$ 3,196,311	\$ 4,204,373	\$ 3,602,601	\$ 3,159,453	\$ 3,229,267
2,108,949	1,340,312	589,684	1,572,789	1,524,239	1,388,372
<u>\$ 4,948,279</u>	<u>\$ 4,536,623</u>	<u>\$ 4,794,057</u>	<u>\$ 5,175,390</u>	<u>\$ 4,683,692</u>	<u>\$ 4,617,639</u>
\$ 311,111,090	\$ 302,723,060	\$ 264,003,528	\$ 259,806,252	\$ 265,941,046	\$ 261,499,094
146,792,506	106,094,221	43,396,414	49,216,804	47,164,322	23,926,773
96,241,419	71,437,711	84,431,282	61,416,983	37,781,027	44,226,370
<u>\$ 554,145,015</u>	<u>\$ 480,254,992</u>	<u>\$ 391,831,224</u>	<u>\$ 370,440,039</u>	<u>\$ 350,886,395</u>	<u>\$ 329,652,237</u>

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

Expenses	2012	2011	2010	2009
Governmental activities:				
General government	\$ 57,591,475	\$ 69,096,613	\$ 64,791,762	\$ 69,898,098
Public works	44,480,787	43,729,571	42,122,694	50,092,431
Public safety	145,585,157	145,727,403	154,622,588	156,911,320
Culture and recreation	12,755,946	13,347,421	11,957,736	11,426,758
Health and welfare	43,128,410	41,952,311	36,053,345	31,911,866
Interest on long-term debt	10,989,496	12,420,667	14,530,276	15,591,011
Total government activities expenses	<u>314,531,271</u>	<u>326,273,986</u>	<u>324,078,401</u>	<u>335,831,484</u>
Business-type activities:				
Solid waste	4,841,418	4,684,002	4,817,057	5,215,029
Housing Authority	1,340,960	1,480,157	1,083,960	1,576,798
Seybold Village Handicapped Project	156,761	341,593	349,467	320,744
Regional Juvenile Detention Center	904,892	1,079,558	1,084,886	960,180
El Centro Familiar	404,057	397,701	646,387	450,958
Total business-type activities expenses	<u>7,648,088</u>	<u>7,983,011</u>	<u>7,981,757</u>	<u>8,523,709</u>
Total primary government expenses	<u>\$ 322,179,359</u>	<u>\$ 334,256,997</u>	<u>\$ 332,060,158</u>	<u>\$ 344,355,193</u>
Program Revenues				
Government activities:				
Charges for services:				
General government	\$ 10,234,551	\$ 9,435,442	\$ 27,821,557	\$ 29,818,073
Public works	1,879,089	2,010,807	-	-
Public Safety	2,216,401	12,936,840	-	-
Culture and recreation	962,705	926,712	-	-
Health and Welfare	246,387	101,650	-	-
Operating grants and contributions:				
General government	-	-	-	346,608
Public Works	41,177	463,860	-	9,931
Public Safety	10,895,045	11,174,899	11,692,990	10,654,921
Culture and recreation	841,106	602,955	743,584	557,640
Health and Welfare	11,008,416	13,216,902	12,924,689	13,182,226
Capital Grants and contributions				
General government	498,277	3,316,133	-	10,087,748
Public Works	11,039,174	9,549,331	17,963,627	20,927,024
Public Safety	-	511,563	637,977	809,420
Culture and recreation	-	2,981,532	8,490,772	3,150,736
Health and Welfare	-	-	1,021,325	2,909,854
Total government activities program revenue	<u>49,862,328</u>	<u>67,228,626</u>	<u>81,296,521</u>	<u>92,454,181</u>
Business-type activities				
Charges for services:				
Solid Waste	4,755,515	4,709,898	4,617,890	4,495,377
Housing Authority	341,508	558,653	293,063	575,634
Seybold Village Handicapped Project	42,921	41,742	43,074	42,446
Regional Juvenile Detention Center	1,062,223	1,062,222	1,062,223	1,058,848
El Centro Familiar	218,642	141,547	398,596	160,089
Operating grants and contributions:				
Solid Waste	171,700	176,000	176,000	176,000
Housing Authority	949,075	972,399	451,043	-
Seybold Village Handicapped Project	-	-	-	-
El Centro Familiar	161,839	160,175	153,544	151,781
Capital grants and contributions:				
Housing Authority	-	-	-	406,227
Seybold Village Handicapped Project	63,756	-	107,712	75,952
Total business-type activities program revenues	<u>7,767,179</u>	<u>7,822,636</u>	<u>7,303,145</u>	<u>7,142,354</u>
Total primary government program revenues	<u>\$ 57,629,507</u>	<u>\$ 75,051,262</u>	<u>\$ 88,599,666</u>	<u>\$ 99,596,535</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 45,609,786	\$ 47,569,157	\$ 46,477,713	\$ 45,288,911	\$ 37,501,192	\$ 35,401,110
52,518,685	32,604,280	45,618,719	34,986,816	32,294,831	17,430,834
143,867,733	129,957,959	108,438,819	89,268,696	82,328,864	70,268,870
12,637,946	15,337,172	14,202,035	11,411,012	11,409,199	10,970,249
28,083,075	25,862,321	19,199,026	19,266,114	18,785,416	18,236,535
15,585,987	15,221,474	14,318,226	15,077,459	14,651,079	13,877,535
<u>298,303,212</u>	<u>266,552,363</u>	<u>248,254,538</u>	<u>215,299,008</u>	<u>196,970,581</u>	<u>166,185,133</u>
4,910,418	4,483,095	4,257,715	3,255,586	3,353,335	3,256,760
860,653	847,572	469,038	1,036,213	2,065,228	2,011,925
235,027	172,947	168,763	145,955	126,954	135,129
923,826	1,158,479	1,273,084	1,330,647	1,275,350	1,190,085
426,170	354,557	404,069	382,877	392,493	379,777
<u>7,356,094</u>	<u>7,016,650</u>	<u>6,572,669</u>	<u>6,151,278</u>	<u>7,213,360</u>	<u>6,973,676</u>
<u>\$ 305,659,306</u>	<u>\$ 273,569,013</u>	<u>\$ 254,827,207</u>	<u>\$ 221,450,286</u>	<u>\$ 204,183,941</u>	<u>\$ 173,158,809</u>
\$ 36,526,187	\$ 47,003,455	\$ 30,856,985	\$ 21,395,970	\$ 16,687,785	\$ 15,426,336
-	-	-	-	-	-
-	-	-	-	-	-
138	48,720	151	60	97	114
-	-	-	-	-	-
232,986	442,797	280,737	1,008,250	504,723	72,137
-	17,536	-	2,357	356,530	-
12,688,872	5,207,981	8,267,824	7,427,307	8,503,339	4,170,033
743,616	260,933	887,767	852,589	841,768	639,390
14,475,407	15,807,842	12,511,372	12,535,023	11,509,565	10,732,435
-	129,563	11,152	-	6,355	-
27,882,786	36,292,565	17,551,403	13,038,508	21,216,205	11,921,830
5,063,696	844,478	161,551	39,915	103,493	250
6,124,856	4,741,191	1,355,935	1,106,620	1,644,695	339,709
2,921,570	3,758,832	177,626	874,397	873,929	1,275
<u>106,660,114</u>	<u>114,555,893</u>	<u>72,062,503</u>	<u>58,280,996</u>	<u>62,248,484</u>	<u>43,303,509</u>
4,373,905	3,646,753	4,022,140	3,050,320	3,054,698	2,942,500
537,282	191,210	79,889	479,823	1,625,769	1,334,139
41,392	30,942	40,163	31,905	31,563	32,069
859,131	1,171,934	1,245,626	1,245,191	1,331,114	1,160,748
170,909	110,664	107,485	95,764	97,643	101,140
165,001	314,140	196,975	139,226	148,490	292,097
123,696	-	-	-	-	-
56,546	54,556	-	-	-	-
153,239	214,296	-	-	-	-
395,128	452,903	-	-	-	-
38,853	29,691	-	-	-	-
<u>6,915,082</u>	<u>6,217,089</u>	<u>5,692,278</u>	<u>5,042,229</u>	<u>6,289,277</u>	<u>5,862,693</u>
<u>\$ 113,575,196</u>	<u>\$ 120,772,982</u>	<u>\$ 77,754,781</u>	<u>\$ 63,323,225</u>	<u>\$ 68,537,761</u>	<u>\$ 49,166,202</u>

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

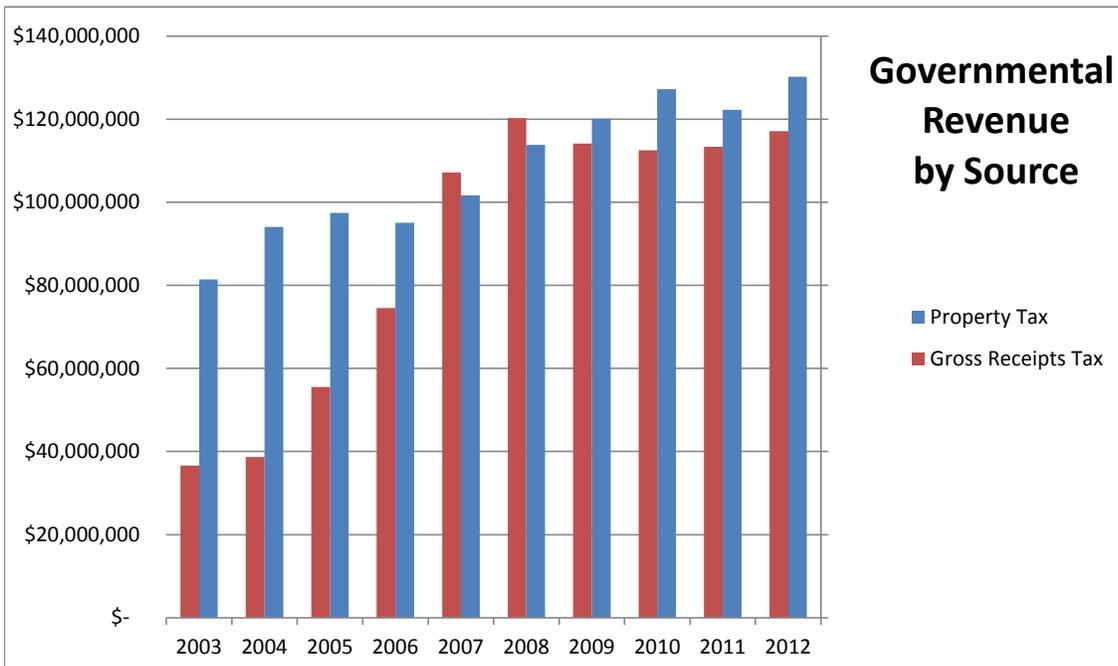
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (expenses)/revenue				
Governmental activities	\$(264,668,943)	\$(259,045,360)	\$(242,781,880)	\$(243,377,303)
Business-type activities	119,091	(160,375)	(678,612)	(1,381,355)
Total primary governmental net expenses	<u><u>\$(264,549,852)</u></u>	<u><u>\$(259,205,735)</u></u>	<u><u>\$(243,460,492)</u></u>	<u><u>\$(244,758,658)</u></u>
General Revenue and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes	\$ 129,585,691	\$ 122,275,071	\$ 127,201,067	\$ 120,069,963
Gross receipts taxes	117,086,938	113,354,187	112,555,113	114,116,141
Motor vehicle taxes	3,778,892	3,694,000	3,788,238	3,582,607
Cigarette taxes	-	-	5,230	6,758
Gas taxes	1,639,775	1,719,921	1,808,628	2,037,969
Investment income	19,404,077	2,244,107	15,249,566	10,865,039
Gain on sale of capital assets	-	-	48,972	296,236
Miscellaneous	6,931,763	10,539,678	14,375,434	13,317,702
Transfers	(116,800)	-	-	-
Total governmental activities	<u>278,310,336</u>	<u>253,826,964</u>	<u>275,032,248</u>	<u>264,292,415</u>
Business-type activities:				
Investment income	6,336	6,456	124,819	45,191
Operating grants	-	-	-	-
Gain on sale of capital assets	-	-	4,100	33,858
Miscellaneous	558,253	550,162	614,416	712,172
Transfers	116,800	-	-	-
Capital contributions - capital assets	167,166	5,849	8,346	-
Total business-type activities	<u>848,555</u>	<u>562,467</u>	<u>751,681</u>	<u>791,221</u>
Total primary government	<u><u>279,158,891</u></u>	<u><u>254,389,431</u></u>	<u><u>275,783,929</u></u>	<u><u>265,083,636</u></u>
Change in Net Assets				
Governmental activities	13,641,393	(5,218,396)	32,250,368	20,915,112
Business-type activities	967,646	402,092	73,069	(590,134)
Total before prior period adjustment	<u>14,609,039</u>	<u>(4,816,304)</u>	<u>32,323,437</u>	<u>20,324,978</u>
Prior period adjustment	-	-	-	-
Total primary government	<u><u>\$ 14,609,039</u></u>	<u><u>\$ (4,816,304)</u></u>	<u><u>\$ 32,323,437</u></u>	<u><u>\$ 20,324,978</u></u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$(191,643,098)	\$(151,996,470)	\$(176,192,035)	\$(157,018,012)	\$(134,722,097)	\$(122,881,624)
(441,012)	(799,561)	(880,391)	(1,109,049)	(629,233)	(832,346)
<u>\$(192,084,110)</u>	<u>\$(152,796,031)</u>	<u>\$(177,072,426)</u>	<u>\$(158,127,061)</u>	<u>\$(135,351,330)</u>	<u>\$(123,713,970)</u>
\$ 113,789,778	\$ 101,617,379	\$ 95,070,478	\$ 97,468,762	\$ 94,043,897	\$ 81,442,677
120,264,324	107,167,291	74,565,522	55,548,897	38,725,557	36,663,056
4,301,323	3,788,667	4,132,542	3,608,463	3,547,419	3,373,650
6,077	6,454	5,707	5,511	6,477	5,343
1,572,980	1,636,764	1,964,503	1,680,496	1,553,716	1,560,909
16,046,244	13,833,232	9,043,065	6,952,564	5,184,585	6,067,056
-	-	-	-	-	-
9,525,633	12,949,329	13,182,736	10,845,578	11,332,291	3,488,475
(384,894)	(321,444)	-	200,000	200,000	-
<u>265,121,465</u>	<u>240,677,672</u>	<u>197,964,553</u>	<u>176,310,271</u>	<u>154,593,942</u>	<u>132,601,166</u>
83,879	103,533	50,653	9,022	7,713	10,410
-	-	534,517	558,439	939,530	889,331
-	-	-	-	-	-
383,895	117,150	107,233	119,688	119,379	100,748
384,894	321,444	-	(200,000)	(200,000)	-
-	-	16,688	1,113,598	-	-
<u>852,668</u>	<u>542,127</u>	<u>709,091</u>	<u>1,600,747</u>	<u>866,622</u>	<u>1,000,489</u>
<u>265,974,133</u>	<u>241,219,799</u>	<u>198,673,644</u>	<u>177,911,018</u>	<u>155,460,564</u>	<u>133,601,655</u>
73,478,367	88,681,202	21,772,518	19,292,259	19,871,845	9,719,542
411,656	(257,434)	(171,300)	491,698	237,389	168,143
<u>73,890,023</u>	<u>88,423,768</u>	<u>21,601,218</u>	<u>19,783,957</u>	<u>20,109,234</u>	<u>9,887,685</u>
-	-	(210,033)	394,070	1,124,924	40,083,165
<u>\$ 73,890,023</u>	<u>\$ 88,423,768</u>	<u>\$ 21,391,185</u>	<u>\$ 20,178,027</u>	<u>\$ 21,234,158</u>	<u>\$ 49,970,850</u>

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

Fiscal Year	Property Tax	Gross Receipts Tax	Motor Vehicle Tax	Cigarette Tax (1)	Gas Tax	Total
2012	\$ 129,585,691	\$ 117,086,938	\$ 3,778,892	\$ -	\$ 1,639,775	\$ 252,091,296
2011	122,275,071	113,354,187	3,694,000	-	1,719,921	241,043,179
2010	127,201,067	112,555,113	3,788,238	5,230	1,808,628	245,358,276
2009	120,069,963	114,116,141	3,582,607	6,758	2,037,969	239,813,438
2008	113,789,778	120,264,324	4,301,323	6,077	1,572,980	239,934,482
2007	101,617,379	107,167,291	3,788,667	6,454	1,636,764	214,216,555
2006	95,070,478	74,565,522	4,132,542	5,707	1,964,503	175,738,752
2005	97,468,762	55,548,897	3,608,463	5,511	1,680,496	158,312,129
2004	94,043,897	38,725,557	3,547,419	6,477	1,553,716	137,877,066
2003	\$ 81,442,677	\$ 36,663,056	\$ 3,373,650	\$ 5,343	\$ 1,560,909	\$ 123,045,635

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



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

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

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

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

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

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund				
Nonspendable	\$ 3,570,428	\$ 2,408,448	\$ 2,350,306	\$ 2,319,196
Restricted	71,053,870	68,801,270	65,240,072	66,297,457
Committed	56,961,090	1,189,430	-	-
Assigned	38,909,238	80,444,554	92,042,596	74,009,419
Unassigned	36,564,598	34,085,866	34,485,436	33,032,083
Total general fund	<u>\$ 207,059,224</u>	<u>\$ 186,929,568</u>	<u>\$ 194,118,410</u>	<u>\$ 175,658,155</u>
All other governmental funds				
Nonspendable	\$ 13,291,639	\$ 13,348,912	\$ 11,759,014	\$ 16,701,584
Restricted	72,451,572	63,262,295	167,493,607	155,920,591
Assigned	20,465,815	34,176,037	-	-
Unassigned	(11,708)	(33,854)	-	-
Total all other governmental funds	<u>\$ 106,197,318</u>	<u>\$ 110,753,390</u>	<u>\$ 179,252,621</u>	<u>\$ 172,622,175</u>
 Total Fund Balance	 \$ 313,256,542	 \$ 297,682,958	 \$ 373,371,031	 \$ 348,280,330

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 2,407,630	\$ 2,053,682	\$ 1,946,763	\$ 1,813,923	\$ 1,664,982	\$ 1,694,066
64,204,173	62,116,232	47,880,110	38,279,946	31,815,165	29,833,177
-	-	-	-	-	-
77,021,708	58,151,165	25,910,114	12,251,801	14,452,804	10,451,773
28,253,300	24,383,704	21,726,308	19,963,013	-	-
<u>\$ 171,886,811</u>	<u>\$ 146,704,783</u>	<u>\$ 97,463,295</u>	<u>\$ 72,308,683</u>	<u>\$ 47,932,951</u>	<u>\$ 41,979,016</u>
\$ 16,783,967	\$ 16,880,650	\$ 16,918,477	\$ 17,569,634	\$ 17,823,175	\$ 17,922,858
105,642,788	74,569,367	69,406,327	69,776,034	82,415,510	46,573,842
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 122,426,755</u>	<u>\$ 91,450,017</u>	<u>\$ 86,324,804</u>	<u>\$ 87,345,668</u>	<u>\$ 100,238,685</u>	<u>\$ 64,496,700</u>
\$ 294,313,566	\$ 238,154,800	\$ 183,788,099	\$ 159,654,351	\$ 148,171,636	\$ 106,475,716

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues				
Taxes:				
Property	\$ 130,241,329	\$ 122,366,390	\$ 124,742,271	\$ 118,118,204
Sales	117,086,938	113,354,187	112,555,113	114,116,141
Motor vehicle	3,778,892	3,694,000	3,788,238	3,582,607
Cigarette	-	-	5,230	6,758
Gas	1,639,775	1,719,921	1,808,628	2,037,969
Intergovernmental	34,323,195	42,023,595	57,592,844	62,866,884
Licenses and permits	2,654,537	2,900,502	2,362,344	3,189,293
Fees for services	12,884,596	22,510,949	25,459,213	26,628,780
Investment income	19,404,077	2,244,107	15,249,566	10,865,039
Miscellaneous	6,561,303	9,132,778	7,822,907	9,992,381
Total revenues	<u>328,574,642</u>	<u>319,946,429</u>	<u>351,386,354</u>	<u>351,404,056</u>
Expenditures				
General government	52,713,593	61,469,403	54,424,762	56,284,520
Public works	28,455,755	27,719,002	23,649,763	23,906,123
Public safety	133,740,820	135,303,143	144,820,182	140,201,023
Health and welfare	41,010,943	39,895,716	34,446,947	30,470,414
Culture and recreation	10,627,090	10,523,395	9,622,045	9,445,054
Capital outlay	29,007,567	35,475,847	37,648,304	35,466,502
Capital outlay-other entities	6,348,160	10,246,755	13,117,251	23,752,233
Debt service:				
Principal	18,445,000	61,675,000	23,555,000	25,019,717
Interest	11,779,759	13,501,640	15,728,867	15,873,887
Bond issuance cost	249,195	-	366,847	451,511
Total expenditures	<u>332,377,882</u>	<u>395,809,901</u>	<u>357,379,968</u>	<u>360,870,984</u>
Excess (deficiency) of revenues over expenditures	<u>(3,803,240)</u>	<u>(75,863,472)</u>	<u>(5,993,614)</u>	<u>(9,466,928)</u>
Other financing sources (uses)				
Transfers in	18,733,531	64,988,019	20,471,330	22,792,106
Transfers out	(18,850,331)	(64,988,019)	(20,471,330)	(22,792,106)
Long-term note issued	-	-	-	-
Bonds issued	18,600,000	-	28,750,000	62,200,000
Refunding bonds issued	6,535,000	-	16,755,000	-
Payment to escrow agent	(7,027,596)	-	(15,689,300)	-
Discount on bonds issued	(42,477)	-	(169,883)	-
Premium on bonds issued	1,128,582	-	1,366,406	660,254
Sale of capital assets	300,115	175,399	72,092	573,438
Total other financing sources (uses)	<u>19,376,824</u>	<u>175,399</u>	<u>31,084,315</u>	<u>63,433,692</u>
Net change in fund balances	<u>\$ 15,573,584</u>	<u>\$ (75,688,073)</u>	<u>\$ 25,090,701</u>	<u>\$ 53,966,764</u>
Debt service as a percentage of noncapital expenditures	10.00% (1)	20.93%	12.32%	12.59%

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 113,368,730	\$ 101,471,408	\$ 94,942,222	\$ 97,608,049	\$ 93,534,299	\$ 80,964,409
120,264,324	107,167,291	74,565,522	55,548,897	38,725,557	36,663,056
4,301,323	3,788,667	4,132,542	3,608,463	3,547,419	3,373,650
6,077	6,454	5,707	5,511	6,477	5,343
1,572,980	1,636,764	1,964,503	1,680,496	1,553,716	1,560,909
70,287,188	67,552,438	41,366,969	36,931,650	45,643,875	27,886,595
3,479,107	3,555,566	4,838,500	4,174,138	5,104,429	4,761,522
32,893,819	43,447,889	25,857,034	17,175,208	11,500,180	10,655,392
16,046,244	13,833,232	9,043,065	6,952,564	5,184,585	6,067,056
9,525,633	10,477,726	13,182,736	10,845,578	11,090,075	3,527,306
<u>371,745,425</u>	<u>352,937,435</u>	<u>269,898,800</u>	<u>234,530,554</u>	<u>215,890,612</u>	<u>175,465,238</u>
42,291,899	49,893,135	40,984,541	42,217,400	35,748,909	36,742,351
23,093,549	23,608,319	26,839,945	17,673,512	15,907,897	10,810,538
131,859,726	119,780,354	96,369,043	79,712,958	72,075,141	63,439,842
27,109,801	24,904,668	18,253,158	18,393,227	18,016,551	17,521,345
11,205,752	14,012,941	11,742,718	10,444,279	10,508,127	10,160,201
52,168,492	48,317,057	38,355,698	33,022,775	19,836,585	23,787,171
14,209,243	-	-	-	-	-
13,987,345	12,594,320	11,632,060	9,562,282	11,167,181	11,364,557
15,658,380	15,460,278	14,831,868	14,928,663	14,294,518	14,055,522
409,433	75,948	643,458	68,712	329,926	201,479
<u>331,993,620</u>	<u>308,647,020</u>	<u>259,652,489</u>	<u>226,023,808</u>	<u>197,884,835</u>	<u>188,083,006</u>
<u>39,751,805</u>	<u>44,290,415</u>	<u>10,246,311</u>	<u>8,506,746</u>	<u>18,005,777</u>	<u>(12,617,768)</u>
17,872,263	18,764,786	27,045,866	17,554,672	35,274,967	13,156,077
(18,257,157)	(18,764,786)	(27,045,866)	(17,354,672)	(35,074,967)	(13,156,077)
-	-	7,401,160	-	-	-
21,500,000	10,000,000	6,466,000	3,029,000	22,210,000	16,400,000
11,000,000	-	56,425,000	-	-	11,290,000
(16,547,758)	-	(60,879,651)	-	-	(11,125,802)
(53,000)	(60,633)	(413,689)	(22,718)	(16,117)	-
734,178	-	4,888,617	-	-	24,849
158,435	136,919	-	-	-	-
<u>16,406,961</u>	<u>10,076,286</u>	<u>13,887,437</u>	<u>3,206,282</u>	<u>22,393,883</u>	<u>16,589,047</u>
<u>\$ 56,158,766</u>	<u>\$ 54,366,701</u>	<u>\$ 24,133,748</u>	<u>\$ 11,713,028</u>	<u>\$ 40,399,660</u>	<u>\$ 3,971,279</u>
10.42%	11.04%	11.05%	12.29%	14.39%	15.49%

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

Fiscal Year Ended June 30,	Real Property		Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Centrally Assessed	Livestock				
2003	\$ 6,580,549,243	\$ 2,309,396,776	\$ 460,213,785	\$ 1,251,252	\$ 9,351,411,056	8.465	\$12,469,603,322	74.99%
2004	6,843,151,309	2,385,170,939	431,315,470	1,178,093	9,660,815,811	9.489	13,100,007,455	73.75%
2005	7,269,453,586	2,429,391,192	402,552,650	1,239,423	10,102,636,851	9.479	13,632,488,946	74.11%
2006	7,743,446,079	3,095,290,965	420,417,136	1,278,523	11,260,432,703	8.369	14,202,608,812	79.28%
2007	8,442,782,935	2,978,241,211	446,277,809	1,371,876	11,868,673,831	8.491	14,824,548,909	80.06%
2008	9,333,295,563	3,380,218,205	476,185,795	1,412,868	13,191,112,431	8.493	16,455,304,512	80.16%
2009	10,050,550,836	3,445,172,418	479,076,818	1,291,931	13,976,092,003	8.425	17,337,910,632	80.61%
2010	10,533,197,821	3,867,180,680	421,489,847	1,236,328	14,823,104,676	8.500	18,328,312,117	80.88%
2011	10,315,485,048	3,580,630,435	487,472,638	1,140,685	14,384,728,806	8.438	17,961,398,881	80.09%
2012	\$ 10,409,867,174	\$ 3,545,440,499	\$ 496,404,009	\$ 1,049,093	\$ 14,452,760,775	8.874	\$17,290,041,124	83.59%

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

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

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

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Bernalillo County										
Operating	7.864	7.769	7.505	7.430	7.489	7.393	7.220	8.310	8.342	7.265
Debt service	0.897	0.555	0.880	0.880	0.888	0.830	0.830	0.830	0.830	0.950
Open space	0.100	0.100	0.100	0.100	0.100	0.250	0.250	0.250	0.250	0.250
Judgment	0.013	0.014	0.015	0.015	0.016	0.018	0.069	0.089	0.067	N/A
Total direct rate	8.874	8.438	8.500	8.425	8.493	8.491	8.369	9.479	9.489	8.465
City of Albuquerque										
Operating	6.544	6.433	6.203	4.134	3.136	3.166	3.104	3.171	3.176	2.172
Debt Service	4.976	4.976	4.976	6.976	7.976	7.976	7.976	7.976	7.976	8.976
Albuquerque Public Schools										
Operating	0.319	0.315	0.304	0.303	0.304	0.302	0.299	0.301	0.304	0.307
Debt Service	4.020	4.317	4.316	4.304	4.308	2.167	2.162	2.166	2.162	2.160
Capital Improvement	2.000	2.000	2.000	1.999	2.000	1.995	1.958	2.000	2.000	-
Building	3.983	3.988	3.985	3.944	3.947	3.975	3.996	3.988	4.068	3.996
Hospitals	6.400	6.400	6.400	6.429	6.428	6.487	6.317	6.500	6.500	6.500
Village of Tijeras										
Operating	1.310	1.316	1.271	1.283	1.265	1.253	1.176	1.240	1.430	1.509
Village of Corrales (1)										
Operating	-	-	2.699	2.143	2.950	3.662	3.395	1.919	2.015	2.962
Debt Service	-	-	0.594	1.125	1.349	1.020	1.373	NA	1.070	0.639
Torrance Schools										
Operating	0.377	0.370	0.381	0.378	0.364	0.372	0.373	0.369	0.362	0.372
Debt Service	8.836	8.841	8.964	8.217	7.159	7.214	8.254	8.219	7.729	7.976
Capital Improvement	2.000	1.954	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Rio Rancho										
Operating	4.438	3.447	3.084	2.624	2.484	5.236	5.007	5.349	5.140	4.810
Debt Service	1.645	2.060	2.067	2.060	2.060	1.826	2.067	2.067	2.074	2.000
Rio Grande Conservancy District	4.231	4.244	4.238	4.246	4.250	4.635	4.963	5.330	5.320	5.376
Edgewood Soil & Water (2) Conservancy District	1.000	1.000	1.000	0.939	0.935	0.956	0.969	1.000	1.000	1.000
State of New Mexico	1.362	1.530	1.150	1.250	1.291	1.291	1.234	1.028	1.520	1.123
Central NM Community College (fka TVI)										
Operating	2.770	2.717	2.632	2.596	2.584	2.625	2.569	2.618	2.617	2.624
Debt Service	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550	0.550
Albuquerque Flood Control	0.926	0.926	0.927	0.923	0.919	0.931	0.920	0.931	0.933	0.933

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

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

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

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

<u>Taxpayer</u>	<u>2012</u>			<u>2003</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Public Service Company of New Mexico - Electric Services	\$ 147,601,544	1	1.021%	\$ 121,039,169	1	1.294%
Qwest Corp (fka) U.S. West Communication Inc.	96,652,736	2	0.669%	103,326,348	2	1.105%
New Mexico Gas Company (formerly PNM - Gas Services) (1)	44,240,965	3	0.306%	30,461,684	3	0.326%
Comcast of NM Inc.	36,595,208	4	0.253%	26,051,154	4	0.279%
Southwest Airlines	21,039,335	5	0.146%	21,951,930	5	0.235%
Verizon Wireless	19,940,780	6	0.138%	16,160,522	9	0.173%
GCC Rio Grande Inc.	18,534,425	7	0.128%	-	-	-
Simon Property Group, Ltd (Cottonwood Mall)	15,960,737	8	0.110%	20,997,900	6	0.225%
Coronado Center LLC	14,528,492	9	0.101%	-	-	-
AHS ABQ Regional Medical Center	12,049,803	10	0.083%	-	-	-
Heitman Properties of NM	-	-	-	19,111,489	7	0.204%
Voicestream PCS II Corp.	-	-	-	18,793,768	8	0.201%
Crescent Real Estate (Hyatt Hotel)	-	-	-	15,782,623	10	0.169%
Total	\$ 427,144,025		2.955%	\$ 393,676,587		4.211%

Source: County Treasurer's Office

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

Note:

Total taxable value including real and personal property for tax year 2011 (fiscal year 2012) is \$ 14,452,760,775
 Total taxable value including real and personal property for tax year 2002 (fiscal year 2003) is \$ 9,351,411,056

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 79,352,646	\$ 75,242,762	94.82%	\$ 3,877,382	\$ 79,120,144	99.71%
2004	91,822,433	87,599,841	95.41%	3,910,361	91,510,202	99.66%
2005	96,145,652	91,795,950	95.47%	4,005,425	95,801,375	99.64%
2006	93,906,198	90,013,460	95.85%	3,648,889	93,662,349	99.74%
2007	101,082,171	97,157,620	96.12%	3,406,408	100,564,028	99.49%
2008	112,113,596	107,467,225	95.86%	3,993,306	111,460,531	99.42%
2009	117,508,912	112,092,669	95.39%	4,528,183	116,620,852	99.24%
2010	124,708,278	117,443,009	94.17%	4,714,155	122,157,164	97.95%
2011	120,075,839	114,472,104	95.33%	2,804,656	117,276,760	97.67%
2012	\$ 126,686,407	\$ 121,576,353	95.97%	\$ -	\$ -	-

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

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

Source: County Treasurer's Office

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

Fiscal Year	Governmental Activities				Business Type Activities		Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	General Obligation Bonds	Special Revenue Bonds	Capital Leases	Note Payable	Revenue Bonds	Note Payable			
2003	\$ 77,155,000	\$ 184,910,378	\$ 1,577,949	\$ -	\$ 1,885,000	\$ -	\$ 265,528,327	1.48%	455.46
2004	83,915,000	192,225,000	1,774,674	-	1,850,000	-	279,764,674	1.48%	470.47
2005	82,479,000	187,340,000	1,562,392	-	1,815,000	-	273,196,392	1.35%	449.47
2006	83,475,000	181,510,000	1,350,110	5,586,382	1,780,000	867,305	274,568,797	1.26%	443.22
2007	88,580,000	175,500,000	1,350,110	3,897,062	1,740,000	1,157,651	272,224,823	1.20%	432.91
2008	98,835,000	170,005,000	1,350,110	1,504,717	1,700,000	994,675	274,389,502	1.16%	431.81
2009	102,080,000	205,445,000	-	-	1,655,000	668,153	309,848,153	1.31%	482.23
2010	105,675,000	208,955,000	-	-	-	343,300	314,973,300	1.32%	474.05
2011	97,835,000	155,120,000	-	-	-	233,113	253,188,113	1.06%	377.35
2012	\$ 109,845,000	\$ 142,985,000	\$ -	\$ -	\$ -	\$ -	\$ 252,830,000	1.06%	376.81

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

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

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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value⁽¹⁾ of Property	Per Capita⁽²⁾
2003	\$ 77,155,000	\$ 1,027,287	\$ 76,127,713	0.61%	130.58
2004	83,915,000	1,884,093	82,030,907	0.63%	137.95
2005	82,479,000	1,867,853	80,611,147	0.59%	132.62
2006	83,475,000	2,988,578	80,486,422	0.57%	129.92
2007	88,580,000	4,277,694	84,302,306	0.57%	134.06
2008	98,835,000	693,851	98,141,149	0.60%	154.45
2009	102,080,000	1,528,284	100,551,716	0.58%	156.49
2010	105,675,000	2,304,567	103,370,433	0.56%	155.58
2011	97,835,000	113,208	97,721,792	0.54%	145.64
2012	\$ 109,845,000	\$ 2,635,597	\$ 107,209,403	0.62%	159.78

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

Sources:

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

**COUNTY OF BERNALILLO, NEW MEXICO
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2012**

	<u>Debt Outstanding</u>	<u>Applicable to Bernalillo County</u>	<u>County Share of Debt</u>
Bernalillo County	\$ 252,830,000	100.00%	\$ 252,830,000
Subtotal Bernalillo County Direct Debt			<u>252,830,000</u>
City of Albuquerque	347,155,000	100.00%	347,155,000
Albuquerque Public Schools	539,480,227	97.69%	527,018,234
Moriarty/Edgewood Schools	23,020,000	18.50%	4,258,700
Albuquerque Metropolitan Flood Control Authority	37,375,000	99.64%	37,240,450
Central New Mexico Community College	66,935,000	83.24%	55,716,694
State of New Mexico	348,116,100	27.35%	95,209,753
Subtotal Overlapping Debt			<u>1,066,598,831</u>
Total Direct and Overlapping Debt			<u><u>\$ 1,319,428,831</u></u>

Ratios:

Total direct and overlapping debt to assessed valuation	9.44%
Total direct and overlapping debt to actual valuation	2.47%
Direct and overlapping debt per capita	\$ 1,966.46

Source: Debt outstanding data provided by each governmental unit.

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

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

<u>Fiscal Year</u>	<u>Gross Receipts Revenues</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2003	\$ 33,186,967	\$ 4,210,000	\$ 9,781,254	2.37
2004	35,315,021	4,685,000	9,534,286	2.48
2005	51,732,791	4,885,000	9,857,666	3.51
2006	70,751,581	4,785,000	9,460,490	4.97
2007	100,136,138	6,010,000	9,242,817	6.57
2008	95,787,912	16,495,000	8,784,582	3.79
2009	91,746,733	16,760,000	9,463,039	3.50
2010	89,096,909	16,140,000	9,954,561	3.41
2011	89,669,675	53,835,000	8,998,698	1.43 ⁽¹⁾
2012	\$ 92,969,210	\$ 12,135,000	\$ 7,701,143	4.69

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

(1)

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

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Debt Limit	\$ 371,365,192	\$ 385,352,321	\$ 404,105,474	\$ 450,417,308
Total net debt applicable to limit	<u>77,155,000</u>	<u>83,914,999</u>	<u>82,479,000</u>	<u>83,475,000</u>
Legal debt margin	<u>\$ 294,210,192</u>	<u>\$ 301,437,322</u>	<u>\$ 321,626,474</u>	<u>\$ 366,942,308</u>
Total net debt applicable to the limit as a percentage of debt limit	20.78%	21.78%	20.41%	18.53%

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 474,746,953	\$ 527,644,497	\$ 559,043,680	\$ 592,924,187	\$ 575,389,152	\$ 578,110,431
<u>88,580,000</u>	<u>98,835,000</u>	<u>102,080,000</u>	<u>105,675,000</u>	<u>97,835,000</u>	<u>109,845,000</u>
<u>\$ 386,166,953</u>	<u>\$ 428,809,497</u>	<u>\$ 456,963,680</u>	<u>\$ 487,249,187</u>	<u>\$ 477,554,152</u>	<u>\$ 468,265,431</u>
18.66%	18.73%	18.26%	17.82%	17.00%	19.00%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed Value	<u>\$ 14,452,760,775</u>
Debt limit (4% of total assessed value)	578,110,431
Debt applicable to limit	<u>109,845,000</u>
Legal debt margin	<u>\$ 468,265,431</u>

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

Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands) (1)	Per Capita Personal Income	Unemployment Rate (3)
2003	582,986	17,888,882	30,685	5.30%
2004	594,644	18,938,152	31,848	5.20%
2005	607,825	20,223,896	33,273	4.70%
2006	619,490	21,796,170	35,184	3.80%
2007	628,825	22,754,553	36,186	3.30%
2008	635,444	23,660,565	37,235	4.40%
2009	642,527	23,660,814	36,825	7.00%
2010	664,425	23,777,563	35,787	8.50%
2011	670,968	NA	NA	7.20%
2012	670,968	NA	NA	7.20%

Education (4)

		<u>Percent</u>
Persons age 25 and Over	426,746	100.00%
Less than 9th Grade	25,614	6.00%
9th-12th grade, no diplomas	32,921	7.71%
High School Graduates	103,301	24.21%
Some college, no degree	100,082	23.45%
Associate degree	29,269	6.86%
Bachelor degree	75,147	17.61%
Graduate or professional degree	60,412	14.16%
Percentage completed high school		86.28%
Percentage completed 4 year college		31.77%

School Enrollment (2)

Elementary School	45,623
Mid-High Schools	20,780
High Schools	27,390
Private and parochial schools	11,507
Technical-vocational Institute	31,237
University of New Mexico	28,741

Sources:

- (1) U.S. Dept. of Commerce, Bureau of the Economic Analysis
- (2) New Mexico Higher Education Department
- (3) New Mexico Department of Workforce Solutions
- (4) National Center for Education Statistics
- NA Information not available for these years

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

Employer	2012			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Kirtland Air Force Base (Civilian) (1)	16,200	1	5.21%	3,898	9	1.26%
University of New Mexico	15,890	2	5.11%	14,394	1	4.67%
Albuquerque Public Schools	14,000	3	4.51%	11,600	2	3.76%
Sandia National Labs	7,940	4	2.55%	7,700	4	2.50%
Presbyterian	7,369	5	2.37%	5,542	5	1.80%
UNM Hospital	5,950	6	1.91%	3,950	8	1.28%
City of Albuquerque	5,940	7	1.91%	8,000	3	2.60%
State of New Mexico	5,910	8	1.90%	5,348	6	1.74%
Lovelace (formerly Lovelace Sandia Health System)	3,700	9	1.19%	3,200	10	1.04%
Kirtland Air Force Base (military)	3,389	10	1.09%	4,855	7	1.58%
Total	86,288		27.77%	68,487		22.22%

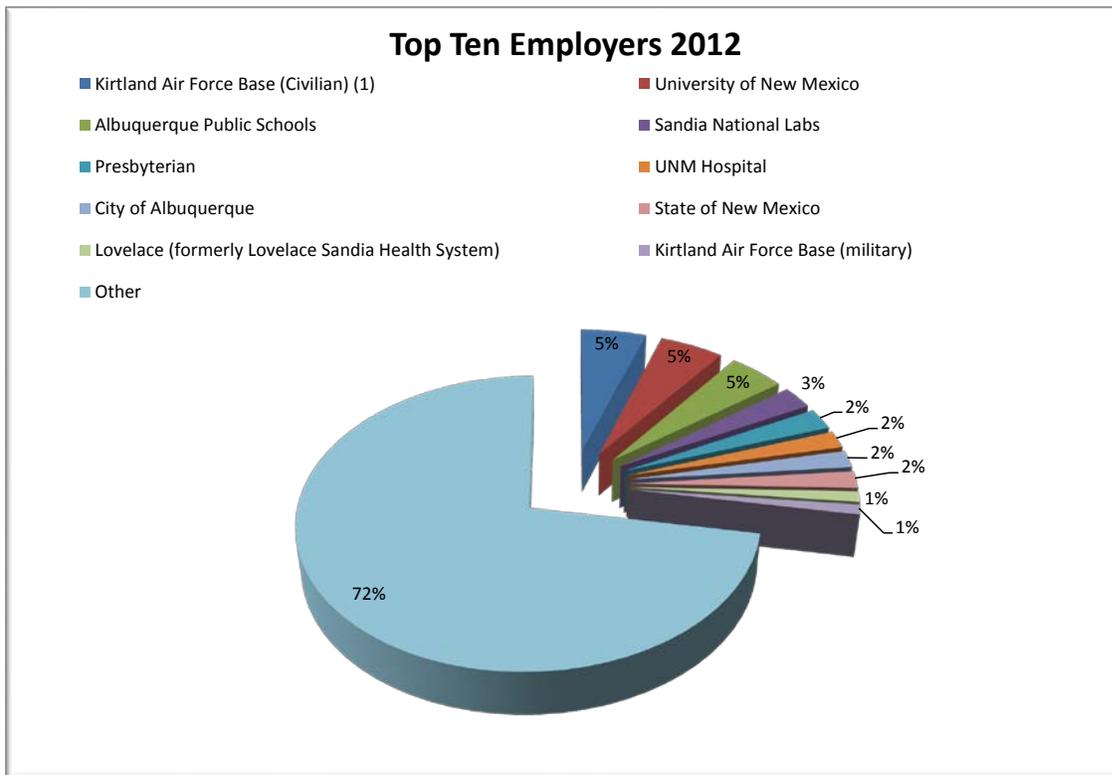
Bernalillo County Quarterly Census of Employment 310,765

308,226

Sources:

New Mexico Department of Workforce Solutions, Albuquerque Economic Development

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



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

Function	Full-Time Equivalent Employees as of June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government										
Commissioners	10	10	10	11	10	10	10	10	10	10
County Manager										
County Manager	16	16	16	15	14	14	14	12	13	13
Economic Development	6	6	6	2	2	2	2	3	3	2
CIP	5	6	6	7	3	3	3	-	-	-
Public Information	9	9	9	8	6	6	6	4	4	6
Public Information-Web	1	1	1	1	2	2	2	2	2	2
Legal Department	10	10	10	10	12	12	9	9	9	9
Information Technology										
Core Services	36	36	36	38	35	35	34	34	35	35
Information Services	18	18	18	25	24	24	24	26	29	29
MDC Support	5	5	5	3	4	4	4	3	4	-
IT Record Management	3	3	3	2	4	4	4	4	4	4
ERP	23	23	23	-	-	-	-	-	-	-
Human Resources										
Compensation and Benefits	12	12	12	8	6	6	5	5	5	5
Labor Relations/Employment	21	22	22	23	19	19	14	14	13	12
Clerk										
Bureau of Elections	23	23	23	23	23	23	23	24	22	22
Record and Filing	23	23	23	24	23	23	23	23	24	24
Voting Machine	2	2	2	2	2	2	2	2	2	2
Budget and Finance										
Budget, AP, Payroll	27	27	27	24	24	24	21	21	17	17
Purchasing Office	19	19	19	18	18	18	15	14	15	12
General Ledger and Accounting	15	15	15	11	13	13	12	12	12	15
Risk Management	10	10	10	11	10	10	8	8	9	9
Treasurer										
Accounting	5	5	5	6	6	6	6	6	6	6
Program Support	8	8	8	8	8	8	8	9	8	8
Taxpayer Services	24	24	24	23	23	23	23	19	19	19
Treasury Project	-	-	-	-	-	-	-	2	3	-
Fleet-Facilities Management										
Computer Automation/Admin	5	7	7	9	9	9	8	8	6	6
Custodial Services	48.5	48.5	48.5	48	48	48	48	43.5	43.5	43.5
Facilities Maintenance	28	28	28	31	32	32	31	31	31	30
Vehicle Maintenance	24	25	25	26	25	25	25	26	15	15
Inventory Admin	8	8	8	-	-	-	-	-	-	-
Operations & Maintenance Dept.										
Road Maintenance	40	41	41	39	41	41	41	41	47	47
Traffic Engineering	12	13	13	14	14	14	14	14	14	14
Storm Drainage	5	5	5	5	4	4	4	4	4	4
Infrastructure and GEO Resources										
Geographic Information Systems	9	9	9	9	9	9	9	9	9	9
Right of Way	6	6	6	6	6	6	6	7	7	7
Technical Planning	4	4	4	4	4	4	4	5	5	5
Infrastructure	-	-	-	6	5	5	5	3	3	3
Water Resource/Pipe	8	8	8	-	-	-	-	-	-	-
Technical Services Department										
Tech Services A & B	38	38	38	27	35	35	35	36	36	36
Probate Court	4	4	4	4	4	4	3	3	3	3

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

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

Function	Full-Time Equivalent Employees as of June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Government										
Zoning, Building, and Planning										
Building Division	19	20	20	18	18	18	18	18	18	18
Land-Use Planning	10	10	10	10	10	10	10	11	10	10
Land-use, Review and Code Enf.	23	22	22	15	14	14	14	14	14	14
Assessors										
Property Assessment	63	61	61	63	63	63	63	63	63	63
Valuation	36	39	39	38	37	37	37	36	36	36
Public Safety										
Fire										
Emergency Preparedness	4	4	4	5	5	5	-	-	-	-
Fire Prevention	8	8	8	9	7	7	7	9	9	9
Operations	225	197	197	183	190	178	168	144	114	114
Support Services	13	13	13	14	12	12	19	13	19	19
Sheriff										
Criminal Investigations	57	56	56	53	55	55	55	52	49	49
Court Services	29	28	28	31	35	35	35	27	30	30
Field Services	207	181	181	181	183	183	183	187	187	187
Headquarters	19	17	17	16	17	17	17	15	15	15
Metro Air	2	1	1	1	-	-	-	-	-	-
Support Services	40	65	65	80	59	59	57	61	61	51
Grant	-	2	2	-	-	-	-	-	-	-
Communications Department	49	49	49	49	49	49	49	50	51	51
Public Safety Department										
Animal Control	13	13	13	13	12	12	12	11	11	11
Administrative Services	3	3	3	3	3	3	3	3	2	2
Youth Services Center										
Resident Services	81	80	80	80	80	80	80	80	80	80
Support Services	26	27	27	28	27	27	27	-	-	-
Public Works										
Division Support Program	8	8	8	11	9	9	9	11	11	11
Public Works IT	6	6	6	3	3	3	3	-	-	-
Capital Construction Fund	-	1	1	-	-	-	-	-	-	-
Call Center	5	-	-	-	-	-	-	-	-	-
Culture and Recreation										
Administration	8	10	10	9	8.5	8.5	8	10.5	7.5	7.5
Aquatics Program	4.5	4.5	4.5	5	6	6	6	5.75	5	6.75
Community Center Program	56	56	56	50.25	53.5	53.5	53	49.5	48.75	48.75
Land Management-Parks and Open	41	43	43	45	41.5	41.5	41	38	36	36
Recreation Enrichment Program	-	-	-	8.5	13	13	13	9.5	5	9.38
Sports Program	8.5	9.5	9.5	8	10	10	10	9	9	9
Youth and Senior Services Program	7	7	7	7	5	5	5	5	5	5
Open Space	8	7	7	7	9	9	9	8.5	8.5	8.5
Public Arts	1	-	-	-	-	-	-	-	-	-
Capital Development	2.5	2.5	2.5	-	-	-	-	-	-	-
Health and Welfare										
Office of Environmental Health	16	16	16	17	16	16	16	16	16	16
Environmental Health Operations	-	-	-	7	7	7	6	6	6	6
Enterprise Funds-Business Type										
Solid Waste	13	13	13	13	13	13	13	13	13	13
Housing										
Public Housing	4	4	4	4	3	3	3	3	3	3
Administrative	27	27	27	28	30	30	30	27	24	24
Juvenile Detention Center										
Juvenile Detention Center	14	14	14	14	24	24	24	23	23	23
Metropolitan Detention Center										
Metropolitan Detention Center	531	530	530	532	532	532	-	-	-	-
DWI	66	65	65	52	51	51	-	-	-	-
	<u>2,324</u>	<u>2,297</u>	<u>2,297</u>	<u>2,242</u>	<u>2,238</u>	<u>2,226</u>	<u>1,608</u>	<u>1,525</u>	<u>1,481</u>	<u>1,467</u>

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Sheriffs Office										
911 Calls (1)	74,619	70,328	73,960	75,369	73,159	80,218	75,733	44,236	35,471	36,548
Traffic Offenses(2) (5)	2,013	2,067	2,107	NA	NA	NA	3,972	4,111	3,711	3,893
Fire Department										
Number of calls answered (1) (8)	15,594	11,349	11,919	11,180	11,541	10,343	11,200	10,334	8,509	8,906
Inspections (1)	1,331	1,151	1,070	1,839	1,985	1,380	1,351	1,307	1,349	1,403
Public Works										
Street resurfacing (miles)	19.9	12.4	13.5	11.9	15.7	30.9	11.2	9.1	8.9	7.2
Traffic signs	21,175	21,174	20,910	19,991	21,742	21,109	20,494	20,046	19,212	18,671
Storm Sewer	2,518	2,416	2,346	2,183	2,167	2,276	1,925	1,867	1,316	1,304
Parks and Recreation										
Aquatics Program Attendance (7)	81,594	75,857	46,437	38,560	47,643	36,313	44,841	NA	45,000	36,574
Number of Attendees at Dance Events	2,409	1,818	-	59	247	2,503	6,481	6,559	4,985	4,142
Youth Basketball Participation Program	1,581	1,759	2,190	1,133	1,950	1,375	1,167	1,642	1,800	1,842
Zoning, Building, and Planning										
Residential Building Permits	379	460	532	518	756	826	606	995	1,028	1,216
Commercial Building Permits	81	95	100	79	116	119	99	200	178	121
Electrical Permits	1,402	1,506	1,313	1,452	2,000	2,131	1,231	2,102	2,192	2,173
Mechanical Permits	728	749	691	801	484	1,335	632	1,281	1,305	1,435
Plumbing Permits	865	859	876	1,222	1,127	1,847	1,214	1,648	1,770	1,639
Sanitation										
Refuse Collected (Tons/Year) (3)(6)	40,285	39,942	39,383	38,338	37,762	35,047	42,939	44,153	27,208	25,938
Metropolitan Detention Center (4)										
DWI Bookings	4,213	4,750	5,435	6,599	6,867	6,307	-	-	-	-
Total Bookings	41,784	37,374	39,171	40,303	41,597	41,255	-	-	-	-
Community Custody Program (Avg Daily Population)	217	251	487	489	434	364	-	-	-	-

(1) Fiscal Year

(2) Calendar Year

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

(4) Effective FY 07 MDC was added

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

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

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

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

Source: All data provided by Bernalillo County departments.

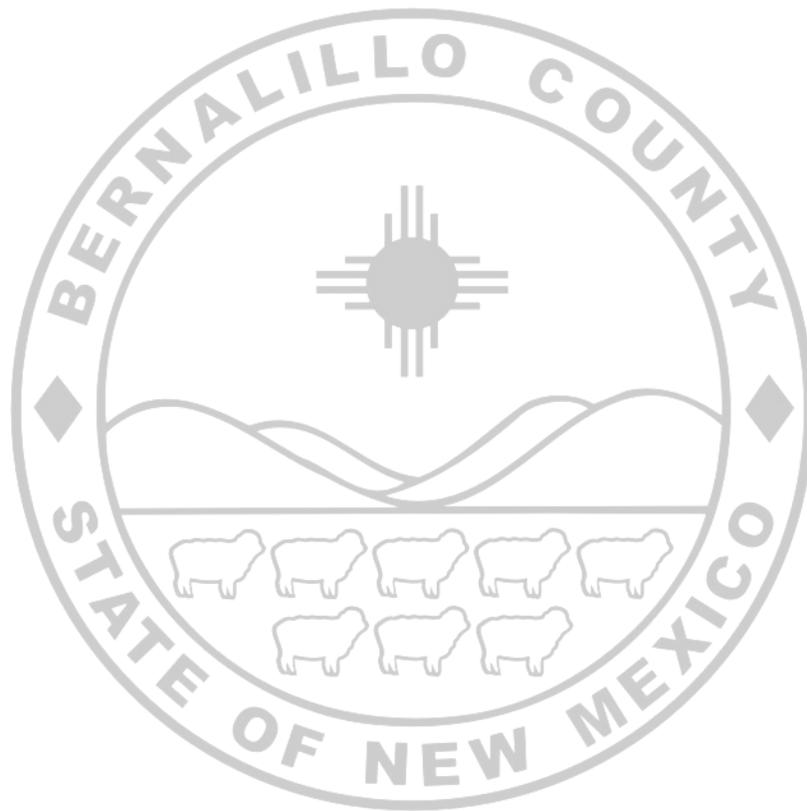
**COUNTY OF BERNALILLO, NEW MEXICO
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public Safety										
Sheriff										
Sheriff Stations	4	4	4	4	4	4	4	4	4	4
Fire Department										
Fire Stations	12	11	11	10	10	10	10	10	10	10
Public Works										
Streets (miles)	730	728	726	724	724	723	718	717	716	717
Streetlights (1)	501	483	409	388	370	156	156	156	156	156
Traffic Signals	56	55	53	51	51	52	51	51	51	48
Traffic Flashers (Count)	77	73	60	60	130	136	134	134	134	134
Culture and Recreation										
Parks	25	24	23	20	18	18	15	11	11	11
Swimming pools	5	5	5	5	5	5	5	3	3	3
Tennis courts	9	9	9	9	7	7	8	4	4	4
Community centers	8	7	7	7	8	8	7	4	4	3
Walking trail	18	18	17	17	14	14	8	6	6	6
Basketball court	19	19	17	17	18	18	12	6	6	6
Volleyball Amenities	10	10	9	9	9	9	7	5	5	5
Baseball Field	37	35	35	35	35	35	39	26	26	26
Soccer Fields	27	26	26	23	24	24	23	14	14	14
Playgrounds	40	27	25	25	24	24	21	12	12	12
Picnic Areas	35	24	23	23	20	20	20	10	10	10

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

Source: All data provided by Bernalillo County departments.



COUNTY OF BERNALILLO, NEW MEXICO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended June 30, 2012

Grantor Agency and Grant Title	CFDA Number	Grant Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development				
Direct				
Low Income Housing Assistance Programs				
Section 8 Housing Choice Vouchers	14.871	NM057		\$ 9,409,720
Section 8 Housing Operating Administrative	14.871	NM057		1,154,982
				<u>10,564,702</u>
Capital Fund Grant (Seybold)	14.872	NM02P057501-08		1,187
Capital Fund Grant (Seybold)	14.872	NM02P057501-09		32,691
Capital Fund Grant (Seybold)	14.872	NM02P057501-10		21,694
Capital Fund Grant (Seybold)	14.872	NM02P057501-11		8,184
				<u>63,756</u>
Section 8 FSS - Homeownership	14.877	NM057 /FSS		118,368
Section 8 Contract Administrators (El Centro)	14.182	NM020003014		161,839
Bridge Blvd. Corridor Redevelopment Plan	14.704	CCPNM0036-10		165,865
Supportive Housing Program	14.251	NM0051B6B001001		46,222
Supportive Housing Program	14.251	NM0051B6B001102		4,490
Economic Development Initiative-Special Project	14.251	B-09-SP-NM-0032		5,422
				<u>56,134</u>
Total Direct Assistance				<u>11,130,664</u>
Pass-Through Programs From:				
NM Mortgage Finance Authority				
Neighborhood Stabilization Program	14.218		09-06-ONI-RHB-001	218,038
Operating Fund Grant (Seybold)	14.850	NM057-00000111D		19,056
Operating Fund Grant (Seybold)	14.850	NM057-00000112D		23,952
				<u>43,008</u>
HOME Investments Partnership Program				
2010 Homes	14.239		10-01-BCH-HOR-001	433,698
2011 Homes	14.239		11-01-BCH-HOR-002	297,339
				<u>731,037</u>
Total Indirect Assistance				<u>992,083</u>
Total U.S. Department of Housing and Urban Development				<u>12,122,747</u>
U.S. Department of Transportation				
Direct				
National Infrastructure Investments				
Tiger 2 Bridge Study	20.933	DTFH61-11-H-00010		176,438
Pass-Through Programs From:				
NM Department of Transportation				
Highway Planning and Construction				
Eubank Blvd	20.205	L3710	TPU-4063(6)05	1,642,481
Alameda Trail	20.205	L3069	TPU-5094(1)	1,156,257
Bicycle Monitoring System	20.205	A300120	D13106	186,559
Bridge and Isleta Intersection Safety Project	20.205	A300502	D13429	489,815
Total Highway Planning Cluster				<u>3,475,112</u>
100 Days and Nights	20.605		11-63-DS-008	20,982
Minimum Penalties for Repeat Offenders for Driving While Intoxicated				
Operation DWI	20.608		11-AL-64-008	78,408
Operation DWI	20.608		12-AL-64-008	85,855
				<u>164,263</u>
NM Department of Homeland Security				
Hazmat Conference	20.703	2011 DOT/HMEP	2011-DOT-Bernco-Intl Hazmat	4,501
Total Indirect Assistance				<u>3,664,858</u>
Total U.S. Department of Transportation				<u>3,841,296</u>

COUNTY OF BERNALILLO, NEW MEXICO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended June 30, 2012

Grantor Agency and Grant Title	CFDA Number	Grant Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture				
National School Lunch Program				
Pass-Through Programs From:				
NM Children, Youth and Families Department				
Summer Food Service Program for Children 11	10.559		3004-2011	269,286
Summer Food Service Program for Children 12	10.559		3004-2012	173,840
				<u>443,126</u>
NM Department of Finance and Administration				
National Forest Reserve Distribution	10.665			30,137
				<u>473,263</u>
Total U.S. Department of Agriculture				
U.S. Department of Justice				
Direct				
US Marshall's Office				
Equitable Sharing	16.922			662,860
Bureau of Justice Assistance				
SCAAP-direct payments for a specified use	16.606	2011-H2565-NM-AP		344,554
SWBPI-direct payments with unrestricted use	16.755	2011BWBX11A05262		168,000
				<u>1,175,414</u>
Total Direct Assistance				
Pass-Through Programs From:				
NM Corrections Department				
FY11 Doc ASB Client Conference	16.593		FY11 MOU - ADDICT. SERV. BUR.	5,958
FY12 Doc ASB Client Conference	16.593	2009 -RT-BX-0041	FY12 MOU - ADDICT. SERV. BUR.	6,821
				<u>12,779</u>
JAG Program Cluster				
City of Albuquerque				
E. Byrne Justice Assistance Grant (JAG)2010	16.738	2010 JAG AWARD	702052	35,800
E. Byrne Justice Assistance Grant (JAG)2011	16.738	2011 JAG AWARD	703219	75,799
New Mexico Dept. of Public Safety				
Edward Byrne Memorial Justice Assist. Grant Prg.				
Drug Enforcement (JAG 2009)	16.738	2009-DJ-BX-0048	DPSJAG09REGI	1,274
Drug Enforcement (JAG)	16.738	2010-DJ-BX-0021	10-JAG-REGI-SFY11	
		2009-DJ-BX-0048	10-JAG-09REV-REG I -SFY11	427
E. Byrne Justice Assistance Grant (JAG)SWIFT	16.738	2009-DJ-BX-0048	DPSJAG09SWIFT	3,494
E. Byrne Justice Assistance Grant (JAG)SWIFT	16.738	2010-DJ_BX-0021	10-JAG-SWIFT-SFY11	63,153
E. Byrne Justice Assistance Grant (JAG)SWIFT	16.738	2011-DJ-BX-2431	11-JAG-SWIFT-SFY12	89,682
				<u>269,629</u>
New Mexico Dept. of Public Safety				
Anti-Gang Initiative				
Psn Gun Reduction	16.744	2009-GP-BX-0077	09-PSN-BCSO-SFY10	2,117
Project Safe Neighborhoods				
2008 Project Safe Neighborhood (PSN)	16.609	2008-GP-CX-0026	08-PSN-BCSO-SFY12	8,471
Psn Anti-Gang Grant	16.609	2010-GP-BX-0006	10-PSN-BCSO-SFY11	6,356
Psn-Dare	16.609	2011-GP-BX-0012	11-PSN-BCSO-SFY12	8,000
				<u>22,827</u>
New Mexico Children Youth and Families Department				
FY11 Continuum Grant	16.531	2010-JF-FX-0037	11-690-12425-5	200,401
Reduce Disparities	16.531	2008-JF-FX-0005	11-690-12404	5,627
				<u>206,028</u>
				<u>513,380</u>
Total Indirect Assistance				
Total U.S. Department of Justice				
				<u>1,688,794</u>

COUNTY OF BERNALILLO, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2012

Grantor Agency and Grant Title	CFDA Number	Grant Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Homeland Security				
Direct				
SAFER 2008	97.083	EMW-2007-FF-00758		129,596
Pass-Through Programs From:				
NM Department of Homeland Security				
Homeland Security Grant-Cluster				
2010 Homeland Security Equipment	97.067	2009-SS-T0-0011	2010-SS-T0-0011-BERN. CO	79,951
Shelter Trailers and Supplies	97.067	2007-GE-T7-0023	2007-GE-T7-0023-BERNALILLO	43,633
				<u>123,584</u>
EMPG 2010-11	97.042	2010-EP-EO-0022	2010-EP-EO-0022-BERN.CO	59,648
EMPG 2012	97.042	EMW-2011-EP-00051	EMW-2011-EP-00051-Bernco	60,690
				<u>120,338</u>
Total Indirect Assistance				<u>243,922</u>
Total U.S. Department of Homeland Security				<u>373,518</u>
U.S. Environmental Protection Agency				
Pass-Through Programs From:				
Ciudad Soil and Water Conservation District	66.460	PERMIT # NMR040000	CCN 2010-076	79,971
Total U.S. Environmental Protection Agency				<u>79,971</u>
U.S. Department of Health and Human Services				
Direct				
Community Transformation Grants				
CDC Health 5 year grant	93.531	1U58DP003593-01		178,814
Pass-Through Programs From:				
State of New Mexico Department of Health				
Public Health Emergency Preparedness	93.069		MOA# 11/665.0300.13454	15,560
Total U.S. Department of Health and Human Services				<u>194,374</u>
U.S. Department of Energy				
Pass-Through Programs From:				
State of NM Energy, Minerals & Natural Resources Dept.				
ARRA upgrade to energy efficient lighting	81.128	DE-EE0000681	11416 (# R1DOE00002-0210)	14,758
Total U.S. Department of Energy				<u>14,758</u>
U.S. Department of Education				
Pass-Through Programs From:				
Albuquerque Public Schools				
Safe and Drug Free Schools and Communities	84.184		APS IGA 2009-0761	82,235
Total U.S. Department of Education				<u>82,235</u>
Total Expenditures of Federal Awards				<u>\$ 18,870,956</u>

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

COUNTY OF BERNALILLO, NEW MEXICO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2012

Note 1. Basis of Presentation

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

Note 2. Subrecipients

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

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
(JAG)SWIFT-2009-DJ-BX-0048	16.738	\$ 1,461
(JAG)SWIFT-2010-DJ-BX-0021	16.738	65,865
(JAG)SWIFT-2011-DJ-BX-2431	16.738	35,410

**Report of Independent Auditors on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based
on an Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

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

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information and the budgetary comparison of the general fund and major special revenue fund of Bernalillo County, New Mexico (County), as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's nonmajor governmental, nonmajor enterprise funds, internal service fund and the budgetary comparisons for the major capital project fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements of and for the year ended June 30, 2012, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the County Commission, others within the entity, and the Office of the State Auditor, Government Finance Officers Association, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mess Adams LLP

Albuquerque, New Mexico
November 13, 2012

**Report of Independent Auditors on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major
Program and on Internal Control Over
Compliance in Accordance With
OMB Circular A-133**

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

Compliance

We have audited Bernalillo County, New Mexico's (County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

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

Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

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

This report is intended solely for the information and use of management, the County Commission, others within the entity, and the Office of the State Auditor, Government Finance Officers Association, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mess Adams LLP

Albuquerque, New Mexico
November 13, 2012

COUNTY OF BERNALILLO, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2012

Findings From Year Ended June 30, 2011 :	Current Status:
01-10 Accounts Receivable Collections- Solid Waste	Resolved
06-01 Sheriff's Department Currency Evidence Account	Resolved
09-04 No adjustment made for annual leave to excess Of amount allowed for carryover	Resolved
09-14 Procurement – Homeland Security	Resolved
11-01 Animal Care Service – Timely Deposits	Resolved
11-02 Time and Effort Certifications	Resolved

**COUNTY OF BERNALILLO, NEW MEXICO
STATUS OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified? _____ yes x none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 – Housing Choice Vouchers
14.239	Home Investment Partnership Program
16.922	Equitable Sharing

Dollar threshold used to distinguish between type A and type B programs: \$ 566,129

Auditee qualified as low-risk auditee? x yes _____ no

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

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

An exit conference was held on November 8, 2012 and attended by the following:

County Commissioner

Maggie Hart Stebbins, Vice Chair

Audit Committee

Maxwell Kagan, CPA, Chair

Paulette Becker, CPA, Esq., Secretary

Mandy Funchess, CPA, Member

External Auditors

Jim Thompson, Partner, CPA, CFE

Tyler Zundel, CPA, Assurance Senior

Jenny Harrington, CPA, Assurance Senior

Jason Cladwell, Assurance Staff

County Personnel

Tom Zdunek, County Manager

Teresa Byrd, Deputy County Manager for Finance

Jarvis Middleton, Deputy County Manager for Public Works

Jeff P. Lovato, MBA, Director of Accounting

Kim McKibben, Director of Solid Waste

Lisa Sedillo-White, Director of Purchasing

Fidel A. Bernal, CPA, Chief Deputy Treasurer

Betty Valdez, Director of Housing

Joe Crelier, Director of Risk Management

Paul Roybal, CIO, Information Technology

Bonnie Ulibarri-Romero, CPA, CGMA, Financial Projects Coordinator, Accounting

Anthony Infantino, MBA, Financial Projects Coordinator, Accounting

Nataliya Rubinchik, MSA, Financial Administrator, Accounting

Trudy McGregor, CPA, Financial Administrator, Accounting

Amy Childers, Financial Administrator, Accounting

Leticia Carreon, Accounting Officer, Accounting

Vincent Lujan, Financial Administrator, Accounting

Cindy Torres, Audit Liaison, Accounting

Victoria Herring, Administrative Assistant, Accounting

Virginia Chavez, Financial Administrator, Human Resources

Hans Zimmer, Housing

Andrew Galvan, Sheriff's Office

Brenda Archiveque, County Managers Office

Ryan Travelstead, Treasurer's Office