



LOS ALAMOS COUNTY

P.O. Box 30 - 133 Central Park Square - Los Alamos, NM 87544
Phone (505) 663-1750 Fax (505) 662-8079
Website: www.losalamosnm.us

COUNTY COUNCIL

Council Chair
Michael E. Wismer
Council Vice-Chair
Sharon Stover
Councilors
Nona Bowman
Vincent Chiravalle
Robert B. Gibson
Ralph L. Phelps
Michael G. Wheeler

COUNTY ADMINISTRATOR

Anthony J. Mortillaro

March 19, 2010

Mr. Lawrence E. Strickling
Assistant Secretary for Communications and Information
U.S. Department of Commerce / NTIA
Herbert C. Hoover Building (HCHB)
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Re: Letter of Commitment from Los Alamos County

Dear Mr. Strickling:

This letter is to confirm that Los Alamos County will provide the following cash and in-kind match for REDI Net (easy grants no. 5745):

\$400,000 cash match
\$165,500 in-kind match for existing conduit
\$459,000 in-kind match for existing fiber

Furthermore, Los Alamos County plans to connect and purchase internet services from REDI Net for the County government community anchor institutions and point to point connections within Los Alamos for non-County government anchor institutions in a manner that does not violate anti-donation laws, once operational, for the attached 46 community anchor institutions. Los Alamos County also plans to maintain the fiber within its jurisdiction in exchange for use of fiber to connect point to point all County entities along the fiber pathway.

Sincerely,

Anthony J. Mortillaro
County Administrator

AJM:lab
Attachment

Los Alamos County REDI Net Community Anchor Institutions

1	PUBLIC WORKS AND CAPITAL PROJECTS ADMIN	1925 TRINITY DRIVE SUITE B	LOS ALAMOS
2	AIRPORT	1040 AIRPORT ROAD	LOS ALAMOS
3	AIRPORT BASIN SITE	101 AIRPORT BASIN ROAD,1-6	LOS ALAMOS
4	ANIMAL SHELTER	246 EAST ROAD	LOS ALAMOS
5	AQUATIC CENTER	2760 CANYON ROAD	LOS ALAMOS
6	BAYO CANYON WASTE WATER TREATMENT	3500 PUEBLO CANYON ROAD	LOS ALAMOS
7	COUNTY ADMINISTRATOR'S OFFICE	133 CENTRAL PARK SQUARE	LOS ALAMOS
8	COMMUNITY BUILDING	475 20TH STREET	LOS ALAMOS
9	COUNTY ASSESSORS	2451 CENTRAL AVENUE SUITE C	LOS ALAMOS
10	COUNTY CLERKS	2451 CENTRAL AVENUE SUITE D	LOS ALAMOS
11	COUNTY HUMAN RESOURCES	2451 CENTRAL AVENUE SUITE B	LOS ALAMOS
12	COUNTY OFFICE OF MANAGEMENT AND BUDGET	2451 CENTRAL AVENUE SUITE A	LOS ALAMOS
13	ENVIRONMENTAL SERVICES	3701 EAST JEMEZ ROAD	LOS ALAMOS
14	FIRE STATION 2	132 DP ROAD	LOS ALAMOS
15	FIRE STATION 3	129 STATE ROAD 4	LOS ALAMOS
16	FIRE STATION 4	4401 DIAMOND DRIVE	LOS ALAMOS
17	FIRE STATION 6	457 EAST ROAD	LOS ALAMOS
18	GOLF COURSE	4250 DIAMOND DRIVE	LOS ALAMOS
19	ICE RINK	4475 WEST ROAD	LOS ALAMOS
20	COUNTY JOINT DISPATCH CENTER	63 TD-SITE ROAD	LOS ALAMOS
21	JUDICIAL COMPLEX	2500 TRINITY DRIVE	LOS ALAMOS
22	MESA PUBLIC LIBRARY	2400 CENTRAL AVENUE	LOS ALAMOS
23	ELECTRIC SWITCH GEAR	1925 TRINITY DRIVE	LOS ALAMOS
24	PUBLIC WORKS AND SURVEYING PROJECT OFFICE	1925 TRINITY DRIVE SUITES C	LOS ALAMOS
25	ENGINEERING AND CAPITAL PROJECTS OFFICE	1925 TRINITY DRIVE SUITE A	LOS ALAMOS
26	SENIOR CENTER	1000 OPPENHEIMER DRIVE	LOS ALAMOS
27	SENIOR CENTER	137 LONGVIEW DRIVE 150 AND 170 CENTRAL PARK SQUARE	WHITE ROCK
28	LOS ALAMOS COUNTY UTILITIES ADMINISTRATION		LOS ALAMOS
29	WHITE ROCK BRANCH LIBRARY	133 LONGVIEW DRIVE	WHITE ROCK
30	WHITE ROCK WASTE WATER TREATMENT	700 OVERLOOK ROAD	WHITE ROCK
31	YOUTH ACTIVITY CENTER	475 20TH STREET	LOS ALAMOS
32	YOUTH ACTIVITY CENTER	10 SHERWOOD BOULEVARD	WHITE ROCK
33	ASPEN ELEMENTARY	2182 33RD STREET	LOS ALAMOS
34	BARRANCA ELEMENTARY	57 LOMA DEL ESCOLAR	LOS ALAMOS
35	CANYON SCHOOL COMPLEX	1100 CENTRAL AVENUE	LOS ALAMOS
36	CHAMISA ELEMENTARY	301 MEADOW LANE	WHITE ROCK
37	LOS ALAMOS MIDDLE SCHOOL	2101 HAWK DRIVE	LOS ALAMOS
38	LOS ALAMOS HIGH SCHOOL	1300 DIAMOND DRIVE	LOS ALAMOS
39	MOUNTAIN ELEMENTARY	2280 NORTH ROAD	LOS ALAMOS
40	PINON ELEMENTARY	90 GRAND CANYON DRIVE	WHITE ROCK
41	PUEBLO COMPLEX	1900 DIAMOND DRIVE	LOS ALAMOS
42	DEPT OF INFO TECH	139 LONGVIEW DR	LOS ALAMOS
43	DEPT OF INFO TECH	135 STATE ROAD 4	LOS ALAMOS
44	DEPARTMENT OF HEALTH/INDIGENT HEALTH	1183 DIAMOND DR	LOS ALAMOS
45	JUDICIAL COMPLEX	2500 TRINITY DRIVE	LOS ALAMOS
46	MOTOR VEHICLE DIVISION	997 CENTRAL AVENUE	LOS ALAMOS

INCORPORATED COUNTY OF LOS ALAMOS RESOLUTION NO. 10-09

A RESOLUTION AUTHORIZING THE COUNTY TO SERVE AS A SUB-RECIPIENT OF FEDERAL FINANCIAL ASSISTANCE TO THE NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT THROUGH THE BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM, NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, UNITED STATES DEPARTMENT OF COMMERCE

WHEREAS, in 2007, several local governments united in a groundbreaking effort called REDI (Regional Economic Development Initiative), which produced Northern New Mexico's first regional and comprehensive economic development strategic plan to address the region's systemic problems, including low incomes, high poverty rates, geographic isolation, lack of private investment and lack of opportunities for upward mobility; and

WHEREAS, Los Alamos County (County) has served as the primary sponsor of REDI through its *Progress through Partnering* alliance, through which the County contributes a portion of its local gross receipts tax to regional needs across Northern New Mexico; and

WHEREAS, REDI identified high-speed broadband as *the region's number one economic development priority* because of its ability to achieve many of the region's goals, including: 1) strengthening the private sector, primarily in areas of technology, media, renewable energy and green industry; 2) providing access to markets and services for remote home-based businesses and residents; 3) providing adequate bandwidth for 21st century applications in the region's schools and community and four-year colleges; 4) supporting distance learning and telemedicine applications upon which rural residents depend; 5) leveraging the efforts of rural electric cooperatives in green grid and smart grid deployment; and 6) providing secure and efficient networks for public safety, homeland security and emergency response; and

WHEREAS, lack of access to affordable backhaul and middle-mile services has been a persistent barrier to economic and community development in Northern New Mexico; and

WHEREAS, the North Central New Mexico Economic Development District (NCNMEDD) is planning to apply for federal financial assistance through the Broadband Technology Opportunities Program (BTOP), from the National Telecommunications and Information Administration in the United States Department of Commerce; and

WHEREAS, the County lacks access to affordable backhaul and middle-mile services for its own governmental uses; and

WHEREAS, the County strongly supports a publically-owned, open middle-mile network as the most viable solution for providing high-speed broadband access to government, businesses and residents in rural areas, where the case for private investment is weak.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The County will serve as a sub-recipient of federal financial assistance for BTOP funds, if awarded, to the NCNMEDD for the REDI Middle-Mile Broadband Network.
2. The County will own the portion of the REDI Broadband Network infrastructure procured and deployed through BTOP grant funding that will be constructed within its jurisdiction.

3. The County will operate and maintain the portion of the REDI Broadband Network constructed within its jurisdiction.
4. The County will comply with the obligations set forth in the American Recovery and Reinvestment Act and will adhere to all applicable federal compliance requirements of the BTOP program, as well as state and local procurement codes.
5. The County is a member of the NCNMEDD and has designated a representative to serve on a Broadband Technical Committee that will advise and support the NCNMEDD Board on the construction phase of the project and on reinvestment activities after construction is completed.
6. Through the Broadband Technical Committee and the NCNMEDD Board, the County, NCNMEDD, and the other sub-recipients for this project will oversee construction of the network, contracts for network management and operation and maintenance, and future reinvestment and expansion activities.
7. The County plans to purchase services for its community anchor institutions, which are public entities such as the County and schools, from the REDI Broadband Network once it is operational.

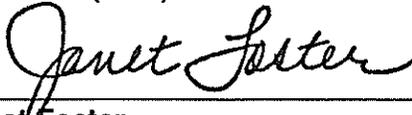
PASSED AND ADOPTED this 2nd day of March, 2010.

**COUNCIL OF THE INCORPORATED
COUNTY OF LOS ALAMOS, NEW MEXICO**



**Michael E. Wismer
Council Chair**

ATTEST: (Seal)



**Janet Foster
Los Alamos County Clerk**





Community Programs Office

P.O. Box 1663, MS A117
Los Alamos, New Mexico 87545
505-665-4400/Fax 505-665-4411

Date: March 12, 2010
Refer To: CPO-10-009

Mr. Lawrence E. Strickling
Assistant Secretary for Communications and Information
U.S. Department of Commerce / NTIA
Herbert C. Hoover Building (HCHB)
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

RE: Cash Match Contribution for REDI Net

Dear Secretary Strickling:

This letter is to document the Los Alamos National Security (LANS) commitment of \$170,000 as a cash match for the North Central New Mexico Economic Development District's Round 2 BTOP CCI application for REDI Net.

LANS operates Los Alamos National Laboratory for the US Department of Energy's National Nuclear Security Administration (NNSA). Since 2007, LANS has invested \$3 million annually in the Northern New Mexico region through established programs in economic development, education and community giving. LANS' investments strive to address the region's great socio-economic disparities, which are exacerbated by being on the wrong side of the digital divide. In addition to high poverty and drop-out rates, New Mexico's schools rank among the last in the nation in math and reading achievement. Few of our primary schools and community colleges have access to the advanced technologies and applications that are commonplace in other parts of the US and the world.

REDI Net represents a unique opportunity to change Northern New Mexico's standing in education and economic opportunity. Through an open fiber network, our schools, institutions of higher education and major businesses will have access to adequate bandwidth at affordable prices. This middle-mile infrastructure will enable start-up business opportunities as well as competition in the marketplace, allowing more Northern New Mexicans to access broadband at home, work and public facilities.

LANS is proud to commit a corporate cash match to this critical project and to be part of an extraordinary regional effort to bring high-speed broadband to Northern New Mexico. Please feel free to contact me at 505-665-4400 if you have questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt A. Steinhaus". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Dr. Kurt A. Steinhaus
Director
Community Programs Office

KS:ER

Cy: Jerry Ethridge, T009
IRM-RMMSO, A150
CPO File

Memorandum of Agreement

This Memorandum of Agreement (MOU) is entered into by and between the North Central New Mexico Economic Development District (NCNMEDD) and the Jemez Mountains Electric Cooperative Inc. (Jemez).

WHEREAS, in 2007, several local governments in Northern New Mexico united in a groundbreaking effort called REDI (Regional Economic Development Initiative), which produced Northern New Mexico's first regional and comprehensive economic development strategic plan to address the region's systemic problems, including low incomes, high poverty rates, geographic isolation, lack of private investment and lack of opportunities for upward mobility;

WHEREAS, high-speed broadband was identified as *the region's number one economic development priority* because of its ability to achieve many of the region's goals, including 1) strengthening the private sector, primarily in areas of technology, media, renewable energy and green industry; 2) providing access to markets and services for remote home-based businesses and residents; 3) providing adequate bandwidth for 21st century applications in the region's schools and community and four-year colleges; 4) supporting distance learning and telemedicine applications upon which rural residents depend; 5) leveraging the efforts of rural electric cooperatives in green grid and smart grid deployment; and 6) providing secure and efficient networks for public safety, homeland security and emergency response;

WHEREAS, the Northern New Mexico region has developed a Regional Broadband Plan to provide affordable middle-mile services to community anchor institutions as well as wholesale services to last-mile service providers;

WHEREAS, NCNMEDD is the applicant for a Round 2 broadband application under the Broadband Technology Opportunities Program (BTOP) in the US Department of Commerce which requests federal funding for the REDI Middle-Mile Network, a component of the Northern New Mexico Regional Broadband Plan; and

WHEREAS, REDI and Jemez have identified deployment of high-speed broadband through rural electric utilities as the most cost-effective and comprehensive approach to serve rural areas because fiber optic cable can be strung on existing electric infrastructure.

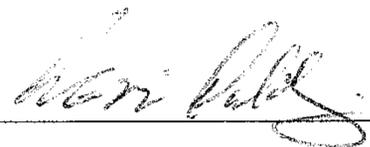
THEREFORE, IT IS AGREED AS FOLLOWS:

1. Jemez will agree to provide a twenty-year pole attachment waiver to the REDI Middle-Mile Network in exchange for two (2) lines of fiber sufficient to operate SCADA, smart grid, green grid and general communications. The REDI Middle-Mile Network agrees to pay the full cost to upgrade or replace electric pole infrastructure or any other part of the system that would require upgrade as a result of pole attachment as deemed necessary by Jemez to support the installation of fiber optic cables.

2. Jemez will agree to operate and maintain that portion of the REDI Middle-Mile Network constructed within its service area and will agree to reimburse Jemez the actual cost to operate and maintain the network.
3. The REDI Middle-Mile Network will acquire its own easements on tribal land, public lands, private lands and any other lands prior to any attachment of cable to any poles or substations of Jemez.

In Witness Whereby the Parties have executed this MOA as indicated below:

Jemez Mountains Electric Cooperative, Inc.

By  on 03/16/10
Title Chairman, Board of Trustees Date

North Central New Mexico Economic Development District

By  on March 15, 2010
Barbara Deaux, Executive Director Date

Memorandum of Agreement

This Memorandum of Agreement (MOU) is entered into by and between the North Central New Mexico Economic Development District (NCNMEDD) and Kit Carson Electric Cooperative (Kit Carson).

WHEREAS, in 2007, several local governments in Northern New Mexico united in a groundbreaking effort called REDI (Regional Economic Development Initiative), which produced Northern New Mexico's first regional and comprehensive economic development strategic plan to address the region's systemic problems, including low incomes, high poverty rates, geographic isolation, lack of private investment and lack of opportunities for upward mobility;

WHEREAS, high-speed broadband was identified as *the region's number one economic development priority* because of its ability to achieve many of the region's goals, including 1) strengthening the private sector, primarily in areas of technology, media, renewable energy and green industry; 2) providing access to markets and services for remote home-based businesses and residents; 3) providing adequate bandwidth for 21st century applications in the region's schools and community and four-year colleges; 4) supporting distance learning and telemedicine applications upon which rural residents depend; 5) leveraging the efforts of rural electric cooperatives in green grid and smart grid deployment; and 6) providing secure and efficient networks for public safety, homeland security and emergency response;

WHEREAS, Kit Carson has been an active participant in REDI and is a partner in implementing high-speed broadband in the region;

WHEREAS, the Northern New Mexico region has developed a Regional Broadband Plan that incorporates seamless middle-mile infrastructure and a last-mile service area within Kit Carson's territory;

WHEREAS, NCNMEDD is the applicant for a Round 2 broadband application under the Broadband Technology Opportunities Program (BTOP) in the US Department of Commerce which requests federal funding for the REDI Middle-Mile Network, a component of the Northern New Mexico Regional Broadband Plan; and

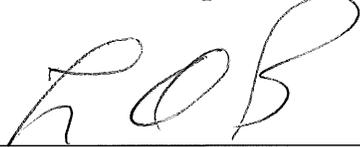
WHEREAS, Kit Carson currently owns and operates Kit Carson Telecom, an internet service provider and CLEC (Competitive Local Exchange Carrier), which has substantial experience in managing a production broadband network, including NOC management, operational support systems, customer relations management and billing.

THEREFORE, IT IS AGREED AS FOLLOWS:

1. Kit Carson will provide managed services, including hosted network operations center and operational support systems, service provider billing, and client management for the REDI Middle Mile Network for an in-kind exchange of fiber for Kit Carson's own uses, including general communications, SCADA, smart grid and green grid. A formal contract for managed services will be entered into upon award and funding of the REDI Middle-Mile Network by BTOP.
2. Kit Carson will serve as a last-mile partner for the REDI Middle-Mile Network by providing last-mile services on the network.

In Witness Whereby the Parties have executed this MOA as indicated below:

Kit Carson Electric Cooperative, Inc.

By  on 3-15-2010

Title

Date

North Central New Mexico Economic Development District

By  on March 15, 2010

Title

Date

CONGRESS OF THE UNITED STATES

DELEGATION OFFICE
STATE OF NEW MEXICO
HART SENATE OFFICE BUILDING
WASHINGTON, D.C. 20510
(202) 224-3330

March 5, 2010

Mr. Lawrence E. Strickling
Assistant Secretary for Communications and Information
U.S. Department of Commerce / NTIA
Herbert C. Hoover Building (HCHB)
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Mr. David J. Villano
Assistant Administrator, Telecommunications Program
USDA
STOP 1590
1400 Independence Ave., SW, Rm 5151
Washington, DC 20250-1590

RE: Support Letter for Northern New Mexico Round 2 Broadband Applications

Dear Mr. Strickling and Mr. Villano:

We are writing in support of the following coordinated Round 2 broadband applications for Northern New Mexico:

1. City of Santa Fe for the Santa Fe Regional Telecom Coalition (BTOP, Middle-Mile)
2. North Central New Mexico Economic Development District for the REDI Network (BTOP, Middle-Mile)
3. Kit Carson Electric Cooperative (BIP, Last Mile)

These projects will create a seamless series of high-bandwidth, open networks that span Northern New Mexico and provide affordable middle-mile service in the counties of Taos, Rio Arriba, Los Alamos and Santa Fe, including the Pueblos of Taos, Picuris, Ohkay Owingeh, Santa Clara, San Ildefonso, Pojoaque and Tesuque. In addition, they will directly benefit vulnerable populations in Northern New Mexico through last mile services provided by Kit Carson Electric Cooperative, Tewa Communications of San Ildefonso Pueblo, and other last-mile service provider partners.

Northern New Mexico's applications are based upon the Regional Economic Development Initiative (REDI), initiated in 2007, which identified *high-speed broadband as the number one economic development priority* to address the region's systemic problems, including low incomes, high poverty rates, and geographic isolation. These projects directly address the lack of access to affordable broadband services, which has been a persistent barrier to economic and community development in the region. They will also enable the region to 1) strengthen the private sector, primarily in areas of technology, media, renewable energy and green industry; 2) provide access to markets and services for remote home-based

businesses and residents; 3) provide adequate bandwidth for 21st century applications in the region's schools and community and four-year colleges; 4) support distance learning and telemedicine applications upon which rural residents depend; 5) leverage the efforts of rural electric cooperatives in green grid and smart grid deployment; and 6) provide secure and efficient networks for public safety, homeland security and emergency response.

Thank you for your consideration of Northern New Mexico's Round 2 broadband applications. We ask to be kept apprised of their progress.

Sincerely,



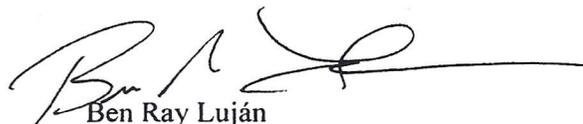
Jeff Bingaman
United States Senator



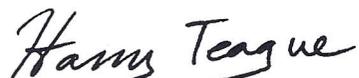
Tom Udall
United States Senator



Martin Heinrich
United States Representative



Ben Ray Luján
United States Representative



Harry Teague
United States Representative

CONGRESS OF THE UNITED STATES
DELEGATION OFFICE
STATE OF NEW MEXICO
HART SENATE OFFICE BUILDING
WASHINGTON, D.C. 20510
(202) 224-3330

March 5, 2010

Mr. Lawrence E. Strickling
Assistant Secretary for Communications and Information
U.S. Department of Commerce / NTIA
Herbert C. Hoover Building (HCHB)
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Mr. Strickling:

We are writing in support of Doña Ana County's Round 2 BTOP application for Southern Net NM. This fiber-optic, open access network will bring desperately needed broadband access to the 37 HUD designated colonias in Doña Ana County, which are among the poorest and most disadvantaged communities in New Mexico.

County-operated community centers which offer adult education, health care, job training and youth programs to the colonias will be served by the network, providing many residents with their first and only exposure to computers, the internet, and advanced applications including distance learning and telemedicine. In addition, the network will provide affordable business-level services that currently do not exist within the County. Finally, the network will support economic development in the fast-growing border region between Las Cruces and El Paso, where two major industrial parks and numerous anchor companies are located.

Thank you for your consideration of Doña Ana County's Round 2 BTOP application. We ask to be kept apprised of its progress.

Sincerely,


Jeff Bingaman
United States Senator


Tom Udall
United States Senator


Martin Heinrich
United States Representative


Ben Ray Lujan
United States Representative


Harry Teague
United States Representative



NORTHERN NEW MEXICO COLLEGE

March 12, 2010

Mr. Lawrence E. Strickling
Assistant Secretary for Communications and Information
U.S. Department of Commerce / NTIA
Herbert C. Hoover Building (HCHB)
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Mr. David J. Villano
Assistant Administrator, Telecommunications Program
USDA
STOP 1590
1400 Independence Ave., SW, Rm 5151
Washington, DC 20250-1590

RE: Support Letter for Northern New Mexico Round 2 Broadband Applications

Dear Mr. Strickling and Mr. Villano:

Northern New Mexico College is a two-year and four-year degree granting institution, with its main campus in Espanola, NM. A Hispanic-serving institution, we serve over 2500 students in an area of Northern New Mexico with very low incomes and high poverty and high school drop-out rates.

Over the past few years, Northern has struggled to piece together sufficient bandwidth to support distance learning applications and its engineering, teaching and nursing programs. Because we cannot obtain sufficient bandwidth from the local incumbent carrier, we have sought to install microwave connections to reach the Gigapop internet access point in Albuquerque. Also, we currently lack a direct connection to the Espanola school system, and have minimal bandwidth to participate as a gateway with the New Mexico Computing Application Center (NMCAC), which offers access to a supercomputer to all New Mexico colleges.

Northern strongly supports the Round 2 BTOP CCI application submitted by the North Central New Mexico Economic Development District for REDI Net, and the Round 2 BIP application submitted by Kit Carson Electric Cooperative. The REDI Net application will provide a fiber interconnect at our main campus in Espanola, enabling connection with the Espanola Public Schools and the NMCAC Supercomputer Gateway. The Kit Carson application will provide a fiber interconnect for our branch campus in El Rito, supporting our academic and continuing education programs there. Both interconnects will offer sufficient bandwidth for all of our

needs at very affordable rates. Northern intends to purchase services from these networks, once operational, to serve the comprehensive needs of its two campuses.

Northern New Mexico College has been an active participant in REDI, Northern New Mexico's Regional Economic Development Initiative. As a partner, we have been approached by Kit Carson Electric, Jemez Mountains Electric and the Los Alamos Utilities Department to offer a course to train existing electric linemen in fiber optic operations and maintenance. Northern has agreed to provide such a course, to ensure personnel readiness for these projects. The course can be offered as early as the fall of 2010, and represents an in-kind contribution of \$5 thousand from our institution.

I urge your favorable consideration of Northern New Mexico's Round 2 broadband applications.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Trujillo', with a long horizontal flourish extending to the right.

David F. Trujillo,
Interim President
Northern New Mexico College
921 Paseo de Oate
Española, NM 87532
(505) 747-2116

Cc: Monica Abeita - REDI



Rio Arriba
Board of County Commissioners

COMMISSIONERS

Alfredo L. Montoya
Chairman, District 2

Elias Coriz
District 1

Felipe D. Martinez
District 3

COUNTY MANAGER
Lorenzo J. Valdez

March 19, 2010

Mr. Lawrence E. Strickling
Assistant Secretary for Communications and Information
U.S. Department of Commerce / NTIA
Herbert C. Hoover Building (HCHB)
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

RE: Letter of Commitment from Rio Arriba County

Dear Mr. Strickling:

This letter is to confirm that Rio Arriba will provide \$1.8 million in cash match for REDI Net (easy grants no. 5745). One million of this total will be obtained through a three-year gross receipts tax dedication.

Furthermore, Rio Arriba County commits to connecting and purchasing services from REDI Net, once operational, for the attached 24 community anchor institutions.

Sincerely,

Lorenzo Valdez
County Manager

Rio Arriba County REDI Net Community Anchor Institutions

1	Alcalde Community Center	26 Rte 41A	Alcalde
2	Alcalde Fire Station	30 Rte 41A	Alcalde
3	Ocate Center	State Rd 68, Bld 854	Alcalde
4	Chamita Community Center	42 Rte 56A	Chamita
5	Chamita Fire Station	46 Rte 56A	Chamita
6	Dixon Fire Station	183A Rte 75	Dixon
7	Dixon Repeater - Public Safety		Dixon
8	Dixon Senior Citizens Center	15 Rte 1114	Dixon
9	Embudo Valley Library/Community Center	217 Highway 75	Dixon
10	Rio Arriba County	3 Rte 1113	Dixon
11	Agua Sana Repeater - Public Safety		Espanola
12	District Attorney's Office	1122 Industrial Rd	Espanola
13	Regional Transit District (RTD)	1328 N Riverside Drive	Espanola
14	Rio Arriba Admin Offices	1122 Industrial Rd	Espanola
15	Rio Arriba Sheriff's Office	412 Paseo de Ocate	Espanola
16	Agua Sana Fire Station	19481 US 84	Hernandez
17	Rio Arriba County Compound	725 Rte 1	Hernandez
18	Velarde/La Canova Fire Station	40 Rte 59	La Canova
19	La Mesilla Fire Station	310 State Hwy 399	La Mesilla
20	Dixon/Rinconada Fire Station	2247 Rte 68	Rinconada
21	La Mesilla/San Pedro Fire Station	60 Upper San Pedro Road	Espanola
22	La Mesilla/San Pedro Fire Department	County Road 8	Espanola
23	Hoy Main Facility	200 Rte 1098	Velarde
24	Velarde Fire Station	16 Rte 50	Velarde

(2)



Rio Arriba
Board of County Commissioners

COMMISSIONERS

Alfredo L. Montoya
Chairman, District 2

Elias Coriz
District 1

Felipe D. Martinez
District 3

COUNTY MANAGER

Lorenzo J. Valdez

RESOLUTION NO. 2010-071

A RESOLUTION OF RIO ARRIBA COUNTY, NEW MEXICO, AUTHORIZING RIO ARRIBA COUNTY TO SERVE AS A SUB-RECIPIENT OF FEDERAL FINANCIAL ASSISTANCE THROUGH THE BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP), NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, US DEPARTMENT OF COMMERCE

WHEREAS, in 2007, several local governments united in a groundbreaking effort called REDI (Regional Economic Development Initiative), which produced Northern New Mexico's first regional and comprehensive economic development strategic plan to address the region's systemic problems, including low incomes, high poverty rates, geographic isolation, lack of private investment and lack of opportunities for upward mobility; and

WHEREAS, high-speed broadband was identified as *the region's number one economic development priority* because of its ability to achieve many of the region's goals, including 1) strengthening the private sector, primarily in areas of technology, media, renewable energy and green industry; 2) providing access to markets and services for remote home-based businesses and residents; 3) providing adequate bandwidth for 21st century applications in the region's schools and community and four-year colleges; 4) supporting distance learning and telemedicine applications upon which rural residents depend; 5) leveraging the efforts of rural electric cooperatives in green grid and smart grid deployment; and 6) providing secure and efficient networks for public safety, homeland security and emergency response; and

WHEREAS, lack of access to affordable backhaul and middle-mile services has been a persistent barrier to economic and community development in Northern New Mexico; and

WHEREAS, Rio Arriba County lacks access to affordable backhaul and middle-mile services for its own governmental uses; and

WHEREAS, Rio Arriba County strongly supports a publically-owned, open middle-mile network as the most viable solution for providing high-speed broadband access to government, businesses and residents in rural areas, where the case for private investment is weak.

RIO ARRIBA COUNTY CLERK
MOISES A MORALES JR
201001289
Book 533 Page 1289
1 of 2
03/10/2010 04:06:28 PM
BY SHIRLEYM

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Rio Arriba County will serve as a sub-recipient of federal financial assistance for BTOP funds, if awarded, to the North Central New Mexico Economic Development District (NCNMEDD) for the REDI Middle-Mile Broadband Network;
2. Rio Arriba County will own the portion of the REDI Broadband Network infrastructure procured and deployed through BTOP grant funding that will be constructed within its jurisdiction;
3. Rio Arriba County will comply with the obligations set forth in the American Recovery and Reinvestment Act and will adhere to all applicable federal compliance requirements of the BTOP program, as well as state and local procurement codes;
4. Rio Arriba County is a member of the North Central New Mexico Economic Development District (NCNMEDD), and has designated a representative to serve on a Broadband Technical Committee that will advise and support the NCNMEDD Board on the construction phase of the project and on reinvestment activities after construction is completed;
5. Through the Broadband Technical Committee and the NCNMEDD Board, Rio Arriba County, NCNMEDD, and the other sub-recipients for this project will oversee construction of the network, contracts for network management and operation and maintenance, and future reinvestment and expansion activities;
6. Rio Arriba County plans to purchase services for its community anchor institutions located within the REDI Broadband Network service area from the REDI Broadband Network once it is operational.

PASSED, ADOPTED AND APPROVED this 25th day of February, 2010.

**BOARD OF COUNTY COMMISSIONERS
RIO ARRIBA COUNTY, NEW MEXICO**



Alfredo L. Montoya

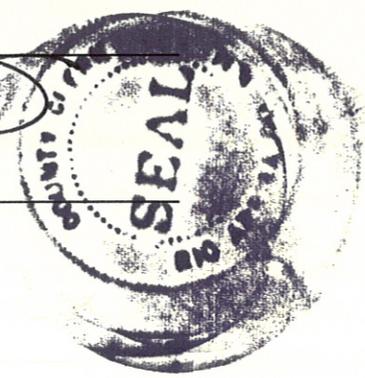
Alfredo L. Montoya, Chairman
Commissioner, District II

Elias Coriz

Elias Coriz
Commissioner, District I

Felipe D. Martinez

Felipe D. Martinez
Commissioner, District III



ATTEST: *Moises A. Morales*

Moises A. Morales, Jr., County Clerk

RIO ARRIBA COUNTY CLERK
MOISES A. MORALES JR
201001289
Book 533 Page 1289
2 of 2
03/10/2010 04:06:28 PM
BY SHIRLEYM

SANTA CLARA

POST OFFICE BOX 580
(505) 753-7326
(505) 753-7330



INDIAN PUEBLO

ESPANOLA, NEW MEXICO
87532

OFFICE OF GOVERNOR

March 19, 2010

Mr. Lawrence E. Strickling
Assistant Secretary for Communications and Information
U.S. Department of Commerce / NTIA
Herbert C. Hoover Building (HCHB)
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

RE: Support for REDI Middle-Mile Network

Dear Mr. Strickling:

Santa Clara Pueblo is hereby submitting this letter of support with the North Central New Mexico Economic Development District (NCNMEDD) in the REDI Middle-Mile Network (REDI Net), which will provide high-speed fiber connectivity to critical tribal offices, including the Library at the Tribal Administration Building, at Santa Clara Pueblo.

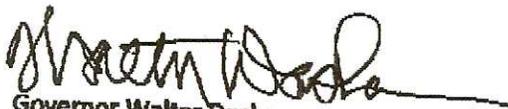
Currently, Santa Clara Pueblo relies on T1 lines from the local incumbent carrier for service at its tribal offices and library. REDI Net will provide higher bandwidth at lower prices, enabling us to participate in distance learning and video conferencing activities that will greatly benefit the youth of the Pueblo. These opportunities include programs offered by the Santa Fe Indian School, which is a partner on this project through the Santa Fe e-Cequia (easy grants no. 5466).

When operational, Santa Clara Pueblo hopes to purchase services from REDI Net, subject to reasonable rates and terms, and will serve on the Broadband Governance Committee at NCNMEDD.

Santa Clara Pueblo strongly supports NCNMEDD's Round 2 BTOP application, and encourages NTIA's favorable consideration.

Should you have any questions, please do not hesitate to contact my office at (505) 753-7330.

Sincerely,


Governor Walter Dasheno

COPY



PO BOX 158 • 111 N. RAILROAD AVENUE
 ESPAÑOLA, NEW MEXICO 87532
 505-753-7218

Web Site: www.hcnnm.org

March 22, 2010

Mr. Lawrence E. Strickling
 Assistant Secretary for Communications and Information
 U.S. Department of Commerce / NTIA
 Herbert C. Hoover Building (HCHB)
 1401 Constitution Avenue, N.W.
 Washington, D.C. 20230

RE: Support Letter for REDI Net

Dear Mr. Strickling:

I am writing in support of the North Central New Mexico Economic Development District's Round 2 BTOP CCI application for REDI Net.

El Centro Family Health provides quality health care at affordable prices to rural Northern New Mexico. With 16 medical clinics and 3 dental clinics, we span 22,000 square miles and serve more than 17,700 patients each year. We operate a clinic in Embudo, three clinics in Espanola, as well as school-based clinics in the Espanola Valley which would benefit directly from the REDI Net Project.

Our current broadband service does not support advanced telemedicine applications. High-speed broadband would enable El Centro to participate in telemedicine programs and utilize Electronic Health Records (EHR) for the first time. These applications are critical to reducing health care costs, improving both health care and health outcomes, and reaching some of our most rural and isolated patients.

El Centro Family Health strongly encourages BTOP to fund REDI Net. When REDI Net becomes operational, El Centro commits to connecting to the network and utilizing its services, subject to fair and reasonable terms.

Sincerely,

William CPA, CEO
 El Centro Family Health

Bond St.	753-9503	School Based	929-1629	LV Dental	425-6677	San Miguel	421-1113
Chama	756-2149	Espanola	753-7395	Peñasco	587-2205	Springer	483-0282
Consejos	425-9464	Highlands	454-3218	Peñ Dental	587-2809	Truchas	689-2461
Coyote	638-5487	La Loma	427-5036	Roy	485-2484	Wagon	666-2288
Embudo	579-4255	Las Vegas	425-6788			Mound	

SANTA FE COUNTY, NEW MEXICO
RESOLUTION NO. 2010-46

A RESOLUTION AUTHORIZING SANTA FE COUNTY TO SERVE AS A SUB-RECIPIENT OF FEDERAL FINANCIAL ASSISTANCE THROUGH THE BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM (BTOP), NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

WHEREAS, in 2007, several local governments, including Santa Fe County, united in a groundbreaking effort called REDI (Regional Economic Development Initiative), which produced Northern New Mexico's first regional and comprehensive economic development strategic plan to address the region's systemic problems, including low incomes, high poverty rates, geographic isolation, lack of private investment and lack of opportunities for upward mobility;

WHEREAS, high-speed broadband was identified as *the region's number one economic development priority* because of its ability to assist residents in achieving goals, including 1) strengthening the private sector, primarily in areas of technology, media, renewable energy and green industry; 2) providing access to markets and services for remote home-based businesses and residents; 3) providing adequate bandwidth for 21st century applications in the region's schools and colleges; 4) supporting distance learning and telemedicine applications upon which rural residents depend; 5) leveraging the efforts of rural electric cooperatives in green grid and smart grid deployment; and 6) providing secure and efficient networks for public safety, homeland security and emergency response;

WHEREAS, the American Recovery and Reinvestment Act of 2009 has established the Broadband Technology Opportunities Program (BTOP) to provide grants to support the deployment of broadband infrastructure, to enhance broadband capacity at public computer centers and to encourage sustainable adoption of broadband services;

WHEREAS, lack of access to affordable backhaul and middle-mile services has been a persistent barrier to economic and community development in Northern New Mexico;

WHEREAS, Santa Fe County lacks access to affordable backhaul and middle-mile services for its own governmental uses; and

WHEREAS, Santa Fe County strongly supports a publically-owned, open middle-mile network as the most viable solution for providing high-speed broadband access to government, businesses and residents in rural areas, where the case for private investment is weak.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Santa Fe County will serve as a sub-recipient of federal financial assistance for BTOP funds, if awarded, to the North Central New Mexico Economic Development District (NCNMEDD) for the REDI Middle-Mile Broadband Network;
2. Santa Fe County will own the portion of the REDI Broadband Network infrastructure procured and deployed through BTOP grant funding that will be constructed within its jurisdiction;
3. Santa Fe County will comply with the obligations set forth in the American Recovery and Reinvestment Act of 2009 and will adhere to all applicable federal compliance requirements of the BTOP program, as well as state and local procurement codes;
4. Santa Fe County is a member of NCNMEDD, and has designated a representative to serve on its Broadband Technical Committee that will advise and support the NCNMEDD Board on the construction phase of the project and on reinvestment activities after construction is completed;
5. Through the Broadband Technical Committee and the NCNMEDD Board, Santa Fe County, NCNMEDD, and the other sub-recipients for this project will oversee construction of the network, contracts for network management and operation and maintenance, and future reinvestment and expansion activities;
6. Santa Fe County plans to purchase services for its community anchor institutions located within the REDI Broadband Network service area from the REDI Broadband Network once it is operational.

PASSED, APPROVED AND ADOPTED this 9 day of March, 2010.



BOARD OF COUNTY COMMISSIONERS



Harry B. Montoya, Chair



Valerie Espinoza,
County Clerk

SFC CLERK RECORDED 03 / 15 / 2010 003 / 15 / 2010

Approved As To Form:

Stephen C. Ross

Stephen C. Ross
County Attorney



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC RESOLUTIONS
PAGES: 3

I Hereby Certify That This Instrument Was Filed for
Record On The 15TH Day Of March, 2010 at 02:55:55 PM
And Was Duly Recorded as Instrument # 1593356
Of The Records Of Santa Fe County

Valerie Espinoza
Deputy _____
Witness My Hand And Seal Of Office
Valerie Espinoza
County Clerk, Santa Fe, NM

SFC CLERK RECORDED 03/15/2010 03/15/2010



SANTA FE INDIAN SCHOOL

1501 CERRILLOS ROAD • SANTA FE, NM 87505 • PHONE: (505) 989-6300 • FAX: (505) 989-6345

March 17, 2010

Mr. Lawrence E. Strickling
Assistant Secretary for Communications and Information
U.S. Department of Commerce / NTIA
Herbert C. Hoover Building (HCHB)
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Mr. David J. Villano
Assistant Administrator, Telecommunications Program
USDA STOP 1590
1400 Independence Ave., SW, Rm 5151
Washington, DC 20250-1590

RE: Partnership Letter for Santa Fe e-Cequia, BTOP CCI Round 2 ID# 5644; Redi Open Networks Easygrant BTOP CCI Round 2 ID #5745; and Carson Electric BIP Last Mile Easygrant ID #5392

Dear Mr. Strickling and Mr. Villano:

Since 1890, Santa Fe Indian School (SFIS) has served the educational needs of 700 Native American students in the state of New Mexico as a federal boarding school for grades 7 - 12. In 1978, SFIS was the second school in the country to contract as a tribally-operated school under Public Law 93-638, the Indian Self-Determination and Education Assistance Act. Since that time the school has emerged as a high quality school for Native American students throughout the state and beyond. SFIS primarily serves the 19 Pueblo tribes from Taos Pueblo in the north, down the Rio Grande River corridor to Isleta Pueblo south of Albuquerque, and west to the Arizona state line. Students board at the school as well as bus in from the various Pueblo tribes up to sixty miles away. Additionally many SFIS staff members must drive long distances to work; some commutes take up to an hour and half each way.

Teaching and learning in global information age presents great opportunities but also great responsibilities. As an institution, if we are not able to provide access to the tools necessary

develop 21st century skills then the students are ill-prepared not only for college but for entry to the workforce. Access to the Internet through a broadband connection is the gateway to the modern world. Every day that passes using our current Internet speed is a day further behind as technological innovation changes not only teaching and learning but the way we live our lives.

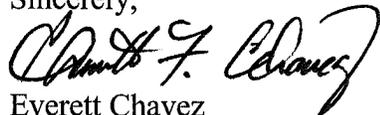
Even though SFIS has a top quality network, including a fiber ring, 10 gig backbone, gigabit to the desktop, campus wireless, and 1:2 computer to student ratio, we cannot fully take advantage of the world wide web. Due to bandwidth constrictions, staff and students are prohibited from streaming media. That alone shuts down distance learning possibilities as well as teaching lessons that are designed around innovative web content. With higher speeds and working with the tribes to develop infrastructure, Pueblo students could receive language instruction from a tribal member from their own pueblo. Language classes in our college preparatory environment validate cultural knowledge and thus foster adolescent self-confidence and sense of purpose. Therefore, delivering distance education to and from the reservations directly address the persistent issue of Native American academic underperformance.

Presently, SFIS has very limited choices for broadband speeds from incumbent providers who have provided poor customer support and inadequate technical support. Even though we receive FCC E-rate subsidies, expensive prices for poor service are not acceptable. For instance, we were doubled billed by Qwest for over \$15,000 and spent two years fighting to be reimbursed.

Furthermore, SFIS alone cannot build the infrastructure to circumvent incumbent providers who have chosen not to connect our tribal communities. Cooperating with city and county government as well as the public higher education institutions allows us to address these challenges from a regional, community-based approach. By working with our city neighbors we hope to build infrastructure which will provide the backbone to reach to our rural tribal communities, especially to the south. We support the efforts of our rural partners in to connect the tribal communities to the north.

The transformative nature of connecting will provide long-lasting benefits for tribal economic development and self-governance, while helping to accomplish our educational mission. It is with great hope that the Santa Fe Indian School joins the efforts of the City of Santa Fe e-Cequia project, REDI Open Networks BTOP, and Carson Electric BIP applications.

Sincerely,



Everett Chavez
Superintendent
Santa Fe Indian School



Office of the CIO

March 12, 2010

Mr. Lawrence E. Strickling
Assistant Secretary for Communications and Information
U.S. Department of Commerce / NTIA
Herbert C. Hoover Building (HCHB)
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Mr. David J. Villano
Assistant Administrator, Telecommunications Program
USDA
STOP 1590
1400 Independence Ave., SW, Rm 5151
Washington, DC 20250-1590

RE: Support Letter for REDI Open Networks

Dear Mr. Strickling and Mr. Villano:

The University of New Mexico is the state's largest four-year university, with an enrollment of 25,820 at its main campus in Albuquerque, NM. UNM operates several two-year, branch campuses throughout the state, including UNM-Taos and UNM-Los Alamos in Northern New Mexico.

The University of New Mexico is proud to partner with the REDI Open Networks of Northern New Mexico, which are submitting the following Round 2 broadband applications:

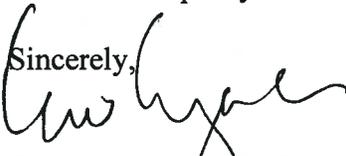
1. North Central New Mexico Economic Development District for *REDI Net* (BTOP CCI), Easy Grants No. 5745
2. Kit Carson Electric (BIP Last Mile), Easy Grants No. 5392
3. The City of Santa Fe for *Santa Fe e-cequia* (BTOP CCI), Easy Grants No. 5644

Fiber connections for UNM's Northern New Mexico campuses are included in the REDI Net (UNM-Los Alamos) and Kit Carson (UNM-Taos) applications, and have been coordinated with the UNM Information Technology Department. If these projects are funded and become operational, UNM will purchase an array of network services for its own educational and research purposes at both campuses.

Partnering with REDI Net and Kit Carson Electric will offer considerable advantages for UNM and its branch campuses. UNM's Branch campuses currently contract with Qwest for services and do not have flexibility to design their own network. The REDI Net and Kit Carson networks will provide UNM Branch campuses with the flexibility to design and build out their own networks at the branch campuses, allowing each campus to customize the network to its uses, needs and programs.

In addition, the cost of purchasing fiber from these open networks will be considerably less than what UNM currently pays for service through Qwest. UNM's partnership with REDI Net and Kit Carson will also fulfill a critical element of our mission statement: to foster local economic development activities with positive impacts on the communities we serve.

UNM has also worked closely with representatives from REDI Net, Kit Carson and the Santa Fe e-cequia to identify alternatives for backhaul from Northern New Mexico to the UNM Albuquerque GigaPoP in Albuquerque, the state's main carrier hotel. As a founding member of the Rio Grande Optical Network (RGON), UNM is currently negotiating use of a newly activated fiber connection in Santa Fe, which at a future date might be available to offer backhaul from Northern New Mexico to the GigaPop. When arrival occurs at UNM's Albuquerque GigaPoP, these additional UNM Branch campuses will have access to UNM's Main campus research networks thus allowing those rural communities parity in the educational field.

Sincerely,

Gilbert Gonzales, PhD
Chief Information Officer

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO
ECONOMIC DEVELOPMENT DISTRICT**

**Financial Statements
For the Year Ended June 30, 2009**

(With Independent Auditor's Report Thereon)

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC
DEVELOPMENT DISTRICT
June 30, 2009**

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**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC
DEVELOPMENT DISTRICT
June 30, 2009**

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STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC
 DEVELOPMENT DISTRICT
 June 30, 2009

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**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC
DEVELOPMENT DISTRICT
June 30, 2009**

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**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Official Roster
as of June 30, 2009**

Board Of Directors

Nick L. Salazar President
Lawry Mann Vice-President
Nick J. Vigil Treasurer
Ernesto J. Salazar Secretary

COLFAX COUNTY

Tresa Kragan
Fred Sparks
Marietta Shell
William H. Conley

LOS ALAMOS COUNTY

Sharon Stover
Nona B. Bowman
Anthony Mortillaro
Lawry Mann

MORA COUNTY

Peter Martinez
Vacant
Betty Medina
Anita LaRan

RIO ARRIBA COUNTY

Elias Coriz/
Lorenzo Valdez
Nick L. Salazar
Joseph Maestas
Nick Vigil

SANDOVAL COUNTY

Annelle Brown
Orlando Lucero
Darryl Madalena
Peggy Cote

SAN MIGUEL COUNTY

Vacant
Les Montoya
Ernesto J. Salazar
Tony E. Marquez, Jr.

SANTA FE COUNTY

David Coss
Jim Trujillo
Harry Montoya
Jack Kolkmeier

TAOS COUNTY

Darren Cordova
Rebecca Latham
Gabriel J. Romero
John Otis

**INDIAN
REPRESENTATIVES**

Paula P. Gutierrez
James R. Magdalena

EX-OFFICIO MEMBER

Vacant

ADMINISTRATIVE OFFICIAL

Barbara Deaux Executive Director

FINANCIAL SECTION

ROBERT J. RIVERA, CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS
6 CALLE MEDICO, SUITE 4
SANTA FE, NEW MEXICO 87505-4761

(505) 983-6002

FAX (505) 983-6474

INDEPENDENT AUDITOR'S REPORT

Nick L. Salazar, President
Members of the Board of Directors
North Central New Mexico Economic Development District
and
Mr. Hector H. Balderas
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparisons for the general fund and major special revenue fund, and the aggregate remaining fund information of the State of New Mexico, North Central New Mexico Economic Development District (District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements and the budgetary comparisons as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District'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 District'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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the State of New Mexico, North Central New Mexico Economic Development District, as of June 30, 2009, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2009, and the respective changes in financial position thereof, and the respective budgetary comparisons for 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 20, 2009, on our consideration of the District'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.

-vii-



Division for CPA Firms AICPA

Member
AMERICAN INSTITUTE
OF
CERTIFIED PUBLIC ACCOUNTANTS

That report is an integral part of an audit performed in accordance with **Government Auditing Standards** and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages ix through xv are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes 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 a required part of the financial statements. The additional schedules listed as "supplemental schedules" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
November 20, 2009

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

The Management's Discussion and Analysis (MD & A) for the North Central New Mexico Economic Development District (District) will provide an overview of the District's activities and programs by (1) evaluating the operating results for the year, (2) assess its financial position and condition, (3) understand its sources and uses of financial resources, (4) determine if budgets were met, and (5) identify budget issues or concerns.

AGENCY HIGHLIGHTS

The District was created on May 31, 1967, by a joint powers agreement between eight counties. The eight counties that are part of the agreement are: Rio Arriba, Taos, Colfax, Sandoval, Los Alamos, Santa Fe, San Miguel and Mora. The authority for the creation of the District is the Joint Powers Agreement Act, Sections 11-1-1 to 11-1-7, NMSA, 1978 Compilation. The purpose of the District is to provide cooperative planning and implementation of overall economic development for north central New Mexico, thereby promoting the social and economic environment of its members. Another principal purpose of the District is to implement specific programs and projects that are considered essential and worthy to the welfare of the members of the District. To fulfill this purpose, the District also administers services provided to elderly citizens under the Older American Act through a contract with the New Mexico Aging and Long-Term Care Department.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded liabilities at the close of the most recent fiscal year by \$1,760.0 (*net assets*). A significant reason for the District's positive net asset balance is its loan portfolio in the amount of \$891.5, and the cash balances associated with the revolving loan funds in the amount of \$487.7.
- The District's total net assets decreased by \$56.2 compared to the prior year.
- As of the close of the current fiscal year, the District's governmental activities reported combined ending net assets of \$380.3, a decrease of \$10.6 from the previous year. The decrease is insignificant.
- All of the District's long-term liabilities are comprised of compensated absences payable. The balance decreased by \$1.8. The decrease is insignificant.

USING THIS ANNUAL REPORT

With implementation of GASB 34, the District has made significant changes in the financial statement presentation. The focus is now on government-wide reporting and major individual funds. The financial report includes the sections described below:

Management's Discussion and Analysis

This section provides an analysis of the District's financial activities based on currently known facts, decisions or conditions. It also provides an analysis of the District's overall financial position and results of operations to assist users in assessing whether the financial position has improved or if changes have occurred as a result of the year's activities.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

USING THIS ANNUAL REPORT (Cont'd)

Government-Wide Financial Statements

The Government-Wide Financial Statements report information about the District as a whole using accounting similar to those used by private sector businesses. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The financial statements report the District's net assets and how they have changed.

Fund Financial Statements

The fund Financial Statements provide a more detailed look at the District's significant funds. Funds are accounting methods that the District uses to keep track of specific sources of funding and spending for a particular purpose. The District has two types of funds:

Governmental Funds - Most of the District's services are included in governmental funds. The funds present sources and uses of liquid resources. This is the manner in which the financial plan (the budget) is typically developed. Funds are established for various purposes and the financial statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith. Since this information does not include the additional long-term focus of the government-wide statements, reconciliation between the government-wide statements and the fund financial statements is provided for governmental-type activities.

Proprietary Funds - These funds are used to account for ongoing organizations and activities that are similar to those found in the private sector. The revolving loan funds are accounted for as enterprise funds since capital maintenance is critical, the funds carry long-term assets and cash flow information is necessary to assess the activity of the funds.

The funds are further classified as major and non-major. Major funds are determined by a percentage of assets, liabilities, revenues, or expenditures/expenses in relation to the totals of all funds in those categories. The General fund will always be considered major. The Area Agency on Aging PSA fund, and all of the revolving loan funds were determined to be major funds.

Budgetary Comparisons

GASB 34 requires budgetary comparison schedules for the general fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedules present both the original and the final appropriated budgets for the reporting period as well as the actual inflows, outflows and balances, stated on the governments's budgetary basis. As required by the Office of the State Auditor, the budgetary comparison statements are presented. This information is provided at the approved budget level to demonstrate compliance with legal requirements.

Notes to Financial Statements

The notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12 through 28 of this report.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets: Below is a summary of the District's net assets for the fiscal year ending 2009. The District reports balances in the following three categories of net assets: (1) invested in capital assets, (2) restricted, and (3) unrestricted. Restricted net assets are created by grant agreements and are required to be used for loans. See page 1 of this report for a more detailed look at the Statement of Net Assets.

**Net Assets
(in thousands)**

	2008			2009			Increase (Decrease)
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total	
Current assets	\$ 1,763.5	\$ 470.4	\$ 2,233.9	\$ 2,132.7	\$ 487.7	\$ 2,620.4	\$ 386.5
Noncurrent assets	-	924.3	924.3	-	891.5	891.5	(32.8)
Capital assets	134.8	-	134.8	104.7	-	104.7	(30.1)
Total assets	1,898.3	1,394.7	3,293.0	2,237.4	1,379.2	3,616.6	323.6
Long-term liabilities	18.8	-	18.8	17.0	-	17.0	(1.8)
Current liabilities	1,458.0	-	1,458.0	1,839.5	-	1,839.5	381.5
Total liabilities	1,476.8	-	1,476.8	1,856.5	-	1,856.5	379.7
Net assets:							
Invested in capital assets	134.8	-	134.8	104.7	-	104.7	(30.1)
Restricted	-	1,394.7	1,394.7	-	1,379.2	1,379.2	(15.5)
Unrestricted	286.7	-	286.7	276.1	-	276.1	(10.6)
Total net assets	\$ 421.5	\$ 1,394.7	\$ 1,816.2	\$ 380.8	\$ 1,379.2	\$ 1,760.0	\$ (56.2)

The largest portion of the District's assets is related to the cash, due from grantors, and loan receivable balances of the revolving loan funds. These balances account for 92.9% of the District's assets. In accordance with GASB 34, the District has capitalized fixed assets, recorded depreciation, and recognized a liability for compensated absences payable in the governmental activities.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Statement of Activities: The following represents the revenues and expenses for fiscal year 2009. See page 2 for a more detailed look at the Statement of Activities.

**Net Asset Changes
(in thousands)**

	2008			2009			
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total	Increase (Decrease)
Revenues:							
<i>Program revenues</i>							
Operating grants & contracts	\$ 19,221.8	\$ -	\$ 19,221.8	\$ 19,877.7	\$ -	\$ 19,877.7	655.9
Charges for services	16.7	28.7	45.4	24.9	20.4	45.3	(0.1)
General revenues (interest)	56.4	9.7	66.1	13.0	4.8	17.8	(48.3)
Other	0.8	23.4	24.2	0.6	4.6	5.2	(19.0)
Total revenues	19,295.7	61.8	19,357.5	19,916.2	29.8	19,946.0	588.5
Expenses:							
Community welfare	19,308.9	-	19,308.9	19,990.1	-	19,990.1	681.2
Economic development	-	-	-	-	15.6	15.6	15.6
Total expenses	19,308.9	-	19,308.9	19,990.1	15.6	20,005.7	696.8
Excess (deficiency) before transfers	(13.2)	61.8	48.6	(73.9)	14.2	(59.7)	(108.3)
Transfers	27.3	(27.3)	-	29.7	(29.7)	-	-
Increase (decrease) in net assets	14.1	34.5	48.6	(44.2)	(15.5)	(59.7)	(108.3)
Net assets-beginning (as restated)	407.4	1,360.2	1,767.6	425.1	1,394.7	1,819.8	52.2
Net assets-ending	\$ 421.5	\$ 1,394.7	\$ 1,816.2	\$ 380.9	\$ 1,379.2	\$ 1,760.1	(56.1)

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

FUND FINANCIAL ANALYSIS

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. As mentioned previously, funds are used by the District to keep track of specific sources of funding and spending for a particular purpose.

For the current year, the District had nineteen governmental funds and two proprietary funds. Fourteen of the District's governmental funds are used to account for specific grants and report no fund balance. One governmental fund is the general fund, one governmental fund is used to account for long-term care services to senior citizens and finally, two governmental funds are used to account for the administration of the revolving loan programs. The two proprietary funds are used to account for the revolving loan programs.

Governmental fund revenues increased by \$622.9 or 3.2% and governmental fund expenditures increased by \$681.2 or 3.5%. Governmental fund balances decreased by \$3.9 or 1.1%. The reason for the increase in revenues and decrease in expenditures was insignificant. The majority of governmental fund balance (\$190.4) is unreserved and available for expenditure in future years. The Board of Directors has reserved \$172.5 for fixed asset acquisitions and \$3.8 to fund compensated absences payable.

Proprietary fund net assets decreased by \$15.4 or 1.1%. \$1,379.2 of proprietary fund net assets are restricted to making loans in accordance with the agreements that provided the initial capitalization of the loan funds. The restrictions associated with the Tri-County loan fund have expired and the net asset balance of that fund is unrestricted.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget was amended several times during the year. The primary reason for budget adjustments was to reflect amendments in grant agreements. Another reason for amendment is to reflect revised activity projections. The variance from the final amended budget was a significant increase of 60.9%, from \$12,943.2 to \$20,831.6.

CAPITAL ASSET AND ADMINISTRATION

Capital Assets: The District's investment in capital assets for its governmental activities as of June 30, 2009 amounts to \$104.7 (net of accumulated depreciation). This investment in capital assets consists mainly of vehicles and office equipment.

Major capital asset events during the current year included capital outlay purchases of \$21.6 and depreciation expense of \$51.7.

Capital Assets

Governmental Activities

	2008	2009
Capital assets net of accumulated depreciation	\$134.8	\$104.7

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Long-Term Debt: At the end of the current fiscal year, the District had total long term debt outstanding of \$90.2, in amounts due to employees, comprising accumulated balances for vacation leave and sick leave eligible for payment to employees upon termination of their employment.

Long-Term Debt

Governmental Activities

	2008	2009
Accumulated leave balances:		
Vacation leave	\$70.2	\$73.7
Sick leave	13.4	16.5
Total	\$83.6	\$90.2

Compensated absences payable increased by 7.9% from the previous year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

See information below under activity highlights. The District does not anticipate any significant changes in next year's operations and budgets.

ACTIVITY HIGHLIGHTS:

In Fiscal Year 2008-2009, North Central New Mexico Economic Development District (NCNMEDD) continued its provision of services to the elderly much as it had the previous year in the 32 county service area known as the Non-Metro Area Agency on Aging. To cover this service area, NCNMEDD has offices in Santa Fe, Clovis, Tucumcari, Taos and Deming.

Staff continued to work with each provider to help them determine a true cost for each unit of the various services they provide. Programs were encouraged to determine their full cost and to estimate how many of each service type they could provide. Contracts were based on the program's self-identified costs and the number of service units anticipated.

Non- Metro staff also continued the administration of the federally mandated data collection system for services to the elderly. This enabled contractors to simply verify the number of services provided each month in order to be paid based on the pre-determined fee.

Reimbursement of state and federal funds to senior programs was based on the agreed upon unit costs and the verified number of services provided.

The Long Term Care Program did not generate any revenues for NCNMEDD this year. All providers in the program have begun billing the state directly. Known formally as the Medicaid Personal Care Option, this program allows payment to providers of certain in-home services to eligible senior citizens. NCNMEDD does not expect additional revenue in this area and will use the reserve fund created for board approved activities.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

The federal program to add special services to those who take care of individuals with Alzheimers' or other dementias was discontinued on June 30, 2009. In addition, a grant by the National Association for Area Agencies on Aging to help rural seniors better utilize services for which they are eligible has also come to an end.

NCNMEDD continued its work with New Mexico's Land Grant communities, in spite of some contracting issues. NCNMEDD had been awarded \$200,000 in one time funds by the New Mexico Legislature in January 2008 to work on capital outlay and additional governance issues. While NCNMEDD had provided a budget to the Department of Finance and Administration for approval prior to signing the grant agreement, after the first request for reimbursement was submitted, the Department of Finance and Administration determined that some costs were unallowable. This issue was resolved in the Legislative session in January 2009. NCNMEDD also managed a grant from the USDA Forest Service on behalf of the land grant communities, which terminated at the end of the fiscal year.

NCNMEDD also continued to administer two contracts with the New Mexico Department of Transportation for Regional Planning Organizations. The Northern Pueblos RPO provided transportation planning to Santa Fe, Los Alamos, Rio Arriba and Taos Counties and the cities (with the exception of Santa Fe) and Indian Nations in that area. The Northeast RPO provided similar services in Colfax, Mora and San Miguel Counties.

NCNMEDD continues to work on water and wastewater issues. The District is assisting the Greater Chimayo Mutual Domestic Water Consumers Association in the completion of its first phase of construction and, through funds from the Bureau of Reclamation, with the study of a regional water system linking the City of Española and Chimayo. Staff are also now involved in the administration of a CDBG grant to Santa Fe County for the replacement of the Valle Vista sewage treatment plant. Finally, NCNMEDD has a small contract with Rio Arriba County to work on a circuit rider project for small water and wastewater systems in rural area.

NCNMEDD continues to participate in a team led by the Regional Development Corporation to develop a 25-year strategic economic development plan for Los Alamos, Santa Fe, Rio Arriba and Taos Counties and the associated municipalities and tribes. NCNMEDD assisted with the finalization of the report and in preparing for implementation. That project is anticipated to continue through FY2010.

NCNMEDD continues to operate two loan funds for business development.

In October 2008, NCNMEDD entered into an agreement with the US Census Bureau to assist counties in the review of census boundaries in order to accommodate any changes prior to the 2010 census. Although this was uncompensated work, it was vital for the region and would have presented a hardship on the communities that do not have GIS capabilities.

Finally, NCNMEDD worked with the state of New Mexico and the other regional councils of government to host meetings to assist communities take advantage of the American Recovery and Reinvestment Act.

REQUESTS FOR INFORMATION

The purpose of this financial report is to provide the general public and other interested parties with a general overview of this District's finances and accountability of funds. Questions regarding this report or requests for additional information should be addressed to the North Central New Mexico Economic Development District, P.O. Box 5115, Santa Fe, NM 87502-5115.

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
ASSETS			
Cash on deposit	\$ 493,061	\$ 487,710	\$ 980,771
Due from grantors	1,639,612	-	1,639,612
Loans receivable (net)	-	891,517	891,517
Capital assets (net)	104,742	-	104,742
Total assets	<u>2,237,415</u>	<u>1,379,227</u>	<u>3,616,642</u>
LIABILITIES			
Accounts payable	1,699,806	-	1,699,806
Payroll taxes payable	101	-	101
Payroll benefits payable	683	-	683
Deferred revenue	17,483	-	17,483
Due to State of NM	23,198	-	23,198
Other liabilities	25,092	-	25,092
Compensated absences:			
Due within one year	73,163	-	73,163
Due after one year	17,026	-	17,026
Total liabilities	<u>1,856,552</u>	<u>-</u>	<u>1,856,552</u>
NET ASSETS			
Invested in capital assets	104,742	-	104,742
Restricted for:			
Loans	-	1,379,227	1,379,227
Unrestricted	276,121	-	276,121
Total net assets	<u>\$ 380,863</u>	<u>\$ 1,379,227</u>	<u>\$ 1,760,090</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Assets		
		Charges for Services	Operating Grants and Contributions	Govern- mental Activities	Business- Type Activities	Total
Governmental Activities:						
Community welfare	\$ (19,990,089)	\$ 24,950	\$ 19,877,691	\$ (87,448)	\$ -	\$ (87,448)
Business-type Activities:						
Economic development	(15,583)	20,382	-	-	4,799	4,799
Total	\$ (20,005,672)	\$ 45,332	\$ 19,877,691	(87,448)	4,799	(82,649)
General Revenues:						
Interest				12,956	4,776	17,732
Other revenue				600	-	600
Loan loss recoveries				-	4,674	4,674
Transfers				29,700	(29,700)	-
Total general revenues and transfers				43,256	(20,250)	23,006
Change in net assets - increase (decrease)				(44,192)	(15,451)	(59,643)
Net assets, beginning (as reported)				421,484	1,394,678	1,816,162
Restatements:						
Prior-period adjustments				3,571	-	3,571
Net assets, beginning (as restated)				425,055	1,394,678	1,819,733
Net assets, ending				\$ 380,863	\$ 1,379,227	\$ 1,760,090

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds		Non-Major Funds	Total
	General Fund	Area Agency on Aging PSA	Other Funds	
ASSETS				
Cash on deposit and equivalent	\$ 189,983	\$ 183,877	\$ 119,201	\$ 493,061
Due from grantors	-	1,552,625	86,987	1,639,612
Due from other funds	86,313	-	-	86,313
Due from other programs	-	82,331	-	82,331
Total assets	\$ 276,296	\$ 1,818,833	\$ 206,188	\$ 2,301,317
LIABILITIES				
Accounts payable	\$ -	\$ 1,696,127	\$ 3,679	\$ 1,699,806
Payroll taxes payable	-	101	-	101
Payroll benefits payable	-	531	152	683
Deferred revenue	-	8,724	8,759	17,483
Due to other funds	-	-	86,313	86,313
Due to other programs	-	82,331	-	82,331
Other liabilities	-	5,671	-	5,671
Due to State of New Mexico	-	22,746	452	23,198
Assets held for others	-	-	19,421	19,421
Total liabilities	-	1,816,231	118,776	1,935,007
FUND BALANCES				
Fund balances:				
Reserved for:				
Capital asset acquisition	172,200	-	-	172,200
Payment of compensated absences	3,758	-	-	3,758
Unreserved-undesignated				
General Fund	100,338	-	-	100,338
Special Revenue Fund	-	2,602	87,412	90,014
Total fund balances	276,296	2,602	87,412	366,310
Total liabilities and fund balance	\$ 276,296	\$ 1,818,833	\$ 206,188	\$ 2,301,317

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
Governmental Funds
June 30, 2009

		<u>Total</u>
Total fund balance for the governmental funds	\$	366,310
<p>Amount reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:</p>		
Capital assets (net)		104,742
<p>Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:</p>		
Compensated absences		<u>(90,189)</u>
Net assets of Governmental Activities	\$	<u><u>380,863</u></u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Governmental Funds
For the Year Ended June 30, 2009

	Major Funds		Non-Major Funds	Total
	General Fund	Area Agency on Aging PSA	Other Funds	
REVENUES				
Federal operating grants	\$ -	\$ 5,903,416	\$ 193,948	\$ 6,097,364
State operating grants and contracts	-	13,516,942	149,443	13,666,385
Local and private grants and contributions	-	-	113,942	113,942
Membership assessments	24,950	-	-	24,950
Bank interest	12,956	-	-	12,956
Other	600	-	-	600
Total revenues	38,506	19,420,358	457,333	19,916,197
EXPENDITURES				
Community welfare:				
Health and welfare	-	17,557,348	-	17,557,348
Administration	8,229	1,863,011	518,905	2,390,145
Capital outlay	2,800	1,540	1,540	5,880
Total expenditures	11,029	19,421,899	520,445	19,953,373
Excess (deficiency) of revenues over expenditures	27,477	(1,541)	(63,112)	(37,176)
Other financing sources (uses):				
Operating transfers in	25,000	-	51,130	76,130
Operating transfers (out)	(46,430)	-	-	(46,430)
Total other financing sources (uses)	(21,430)	-	51,130	29,700
Net change in fund balance	6,047	(1,541)	(11,982)	(7,476)
Fund balance - beginning, as reported	270,249	573	99,394	370,216
Restatements:				
Prior-period adjustments	-	3,570	-	3,570
Fund balance - beginning, as restated	270,249	4,143	99,394	373,786
Fund balance - ending	\$ 276,296	\$ 2,602	\$ 87,412	\$ 366,310

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
 NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE TO THE STATEMENT OF NET ACTIVITIES
 Governmental Funds
 June 30, 2009

		Total
Net Change in Fund Balance - Governmental Funds	\$	(7,476)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital asset contributions	\$	
Capital outlay		21,645
Depreciation expense		(51,752)
		(30,107)
<p>Some items 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. These activities consist of:</p>		
Increase in compensated absences		(6,610)
Rounding		1
		(6,609)
Changes in Net Assets of Governmental Activities	\$	(44,192)

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
MAJOR GOVERNMENTAL FUNDS
General Fund - All Accounts
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Membership assessments	\$ 20,000	\$ 24,950	\$ 24,950	\$ -
Bank interest	55,000	12,956	12,956	-
Other revenue	-	600	600	-
Operating transfers in	25,000	25,000	25,000	-
Prior cash budgeted	<u>265,348</u>	<u>268,148</u>	<u>-</u>	<u>(268,148)</u>
Total revenues	<u>365,348</u>	<u>331,654</u>	<u>63,506</u>	<u>(268,148)</u>
EXPENDITURES:				
Community welfare:				
Administration	-	8,229	8,229	-
Capital outlay	-	2,800	2,800	-
Operating transfers out	46,430	46,430	46,430	-
Budgeted reserves	<u>318,918</u>	<u>274,195</u>	<u>-</u>	<u>274,195</u>
Total expenditures	<u>365,348</u>	<u>331,654</u>	<u>57,459</u>	<u>274,195</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>6,047</u>	\$ <u>6,047</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 57,459	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 57,459</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
MAJOR GOVERNMENTAL FUNDS
Area Agency on Aging PSA Special Revenue Fund
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Federal operating grants	\$ -	\$ 5,903,416	\$ 5,903,416	\$ -
State operating grants and contracts	11,511,606	13,516,942	13,516,942	-
Local and private gifts and grants	-	-	-	-
Prior year cash budgeted	-	1,540	-	(1,540)
Total revenues	<u>11,511,606</u>	<u>19,421,898</u>	<u>19,420,358</u>	<u>(1,540)</u>
EXPENDITURES:				
Community welfare:				
Health and welfare	11,331,129	12,016,188	12,016,189	(1)
Administration	180,477	7,404,170	7,404,170	-
Capital outlay	-	1,540	1,540	-
Total expenditures	<u>11,511,606</u>	<u>19,421,898</u>	<u>19,421,899</u>	<u>(1)</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,541)</u>	<u>\$ (1,541)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 19,421,899	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 19,421,899</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF NET ASSETS
Proprietary Funds
June 30, 2009

	(25-601) Economic Development Administration RLF	(24-601) Tri-County RLF	Total
ASSETS			
<i>Current Assets:</i>			
Cash on deposit	\$ 273,895	\$ 213,815	\$ 487,710
<i>Noncurrent Assets:</i>			
Loans receivable (net)	501,638	389,879	891,517
Total assets	775,533	603,694	1,379,227
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts payable	-	-	-
Total liabilities	-	-	-
NET ASSETS			
Restricted for loans	775,533	603,694	1,379,227
Unrestricted	-	-	-
Total net assets	\$ 775,533	\$ 603,694	\$ 1,379,227

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Proprietary Funds
For the Year Ended June 30, 2009

	(25-601) Economic Development Administration RLF	(24-601) Tri-County RLF	Total
OPERATING REVENUES			
Loan interest	\$ 17,712	\$ 2,670	\$ 20,382
Loan loss recoveries	1,270	3,404	4,674
Loan fees	-	-	-
Total operating revenues	<u>18,982</u>	<u>6,074</u>	<u>25,056</u>
OPERATING EXPENSES			
Provision for loan losses	<u>14,008</u>	<u>1,575</u>	<u>15,583</u>
Total operating expenses	<u>14,008</u>	<u>1,575</u>	<u>15,583</u>
Operating income (loss)	4,974	4,499	9,473
NON-OPERATING REVENUES			
Bank interest	<u>2,871</u>	<u>1,905</u>	<u>4,776</u>
Income (loss) before contributions and transfers	7,845	6,404	14,249
Contributions and transfers:			
Operating transfers out	<u>(11,323)</u>	<u>(18,377)</u>	<u>(29,700)</u>
Net income (loss)	<u>(3,478)</u>	<u>(11,973)</u>	<u>(15,451)</u>
Net assets, beginning (as reported)	779,011	615,667	1,394,678
Restatements:			
Prior-period adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, beginning (as restated)	<u>779,011</u>	<u>615,667</u>	<u>1,394,678</u>
Net assets, end of year	<u>\$ 775,533</u>	<u>\$ 603,694</u>	<u>\$ 1,379,227</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF CASH FLOWS - INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
Proprietary Funds
For the Year Ended June 30, 2009

	Economic Development Administration RLF	Tri-County RLF	Total
Cash flows from operating activities:			
Program loans made	\$ (65,228)	\$ -	\$ (65,228)
Program loan adjustments	(578)	-	(578)
Program loan repayments	55,201	32,467	87,668
Loan interest received	17,712	2,670	20,382
Net cash provided (used) by operating activities	<u>7,107</u>	<u>35,137</u>	<u>42,244</u>
Cash flows from non-capital financing activities:			
Operating transfers out	(11,323)	(18,377)	(29,700)
Net cash provided (used) by non-capital financing activities	<u>(11,323)</u>	<u>(18,377)</u>	<u>(29,700)</u>
Cash flows from investing activities:			
Interest income	2,871	1,905	4,776
Net cash provided (used) by investing activities	<u>2,871</u>	<u>1,905</u>	<u>4,776</u>
Net increase (decrease) in cash	(1,345)	18,665	17,320
Cash, beginning of year	275,240	195,150	470,390
Cash, end of year	<u>\$ 273,895</u>	<u>\$ 213,815</u>	<u>\$ 487,710</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 4,974	\$ 4,499	\$ 9,473
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
(Increase) decrease in loans receivable	625	34,043	34,668
Increase (decrease) in allowance	1,509	(3,404)	(1,895)
Rounding	(1)	(1)	(2)
Net cash provided (used) by operating activities	<u>\$ 7,107</u>	<u>\$ 35,137</u>	<u>\$ 42,244</u>

Noncash investing, capital and financial activities:

There were no significant noncash investing, capital and financing activities during the reporting period.

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

1. History and Functions

The North Central New Mexico Economic Development District (District) was created on May 31, 1967, pursuant to a joint powers agreement between Rio Arriba, Taos, Colfax, Sandoval, Los Alamos, Santa Fe, San Miguel and Mora Counties under the authority of the Joint Powers Agreement Act, Section 11-1 to 11-1-7, NMSA, 1978 Compilation.

The purpose of the District is to provide cooperative planning and implementation of overall economic development for north central New Mexico, thereby promoting the social and economic environment of its members.

2. Summary of Significant Accounting Policies

The District's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Proprietary activities have applied all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: FASB statements and interpretations, APB opinions, and ARB's of the Committee on Accounting Procedure. FASB statements and interpretations issued after November 30, 1989, have not been applied.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phased implementation based on the size of the government.

In June 2001, the GASB unanimously approved Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and Statement No. 38 *Certain Financial Statement Note Disclosures*. Statement 37 clarifies and modifies Statements 34 and should be implemented simultaneously with Statement 34. Statement 38 modifies, establishes and rescinds certain financial statement disclosure requirements.

The District implemented the provisions of GASB Statement No. 34, 37 and 38 effective July 1, 2001. As part of this Statement, there is a new reporting requirement regarding the government's infrastructure (roads, bridges, etc.). The District does not own any infrastructure assets and, therefore, is unaffected by this requirement.

A. Financial Reporting Entity

The District is a special purpose government created by a joint powers agreement between eight counties under the authority of the Joint Powers Agreement Act. The District is governed by a Board of Directors constituted as follows:

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

2. Summary of Significant Accounting Policies (Cont'd)

A. Financial Reporting Entity (Cont'd)

8	Elected county officials - one per county
8	Elected city officials or delegates - one from the largest city of each county
8	Overall Economic Development Program committee members - one per county
8	Lay persons at large
<u>2</u>	Indian representatives
<u>34</u>	Total board members

The officers of the District are selected from the Board of Directors. The District is a governmental subdivision of the State of New Mexico and a body with all the powers of public or quasi-municipal corporation and these financial statements include all funds and activities over which the District officers have oversight responsibility. The officers of the District have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District is not included in any other governmental reporting entity as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. The District does not have any component units.

B. Basic Financial Statements - Government-Wide Statements

The District's basic financial statements include both government-wide (based on the District as a whole) and fund financial statements and report information on all non-fiduciary activities. The new reporting model focus is on either the District as a whole or major individual funds (within the fund financial statements). The District is a multiple-program government that engages in both governmental and business-type activities and has no component units. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type activities. In the government-wide Statements of Net Assets, both the governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, restricted net assets and unrestricted net assets.

Generally, the effect of interfund activity has been removed from the government-wide financial statements.

The government-wide Statement of Activities reports both the gross and net cost of the District's functions. The functions are also supported by general revenues (primarily interest on cash deposits). The Statement of Activities reduces gross expense (including depreciation) by related program revenues, charges for services and operating grants and contributions. Program revenues must be directly associated with the function. The District includes only two functions: community welfare and economic development.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major funds in the governmental fund category.

The governmental fund statements are presented on a current financial resources measurement focus and the modified accrual basis of accounting. This presentation is deemed more appropriate to

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

2. Summary of Significant Accounting Policies (Cont'd)

B. Basic Financial Statements - Government-Wide Statements (Cont'd)

demonstrate legal compliance, to demonstrate the source and use of liquid resources and to demonstrate how the District's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental-wide presentation.

The proprietary fund statements (enterprise funds) are presented on the full accrual, economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets and receivables. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Proprietary fund equity is classified as net assets.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the District first uses restricted resources then unrestricted resources.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the District are reported on the basis of funds in the fund financial statements. The operations of each fund is 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 purpose for which they are to be spent and the means by which spending activities are controlled. The District uses the following fund types:

GOVERNMENTAL FUND TYPES

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is reported by a generic fund type classification within the financial statements known as governmental funds.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds are also reported by a generic type classification known as governmental funds.

PROPRIETARY FUNDS

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

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009**

2. Summary of Significant Accounting Policies (Cont'd)

C. Basic Financial Statements - Fund Financial Statements (Cont'd)

PROPRIETARY FUNDS (Cont'd)

GASB Statement No. 34 eliminated the presentation of account groups, but provides for these records to be maintained and incorporates the information into the government-wide Statement of Net Assets.

The funds are further classified as major or nonmajor, with emphasis placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the General fund of the District or meets the following criteria:

- Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

All funds have been administratively established by the Board of Directors to account for the sources and uses of specific operating grants or where the Board has decided that establishment for a separate fund is necessary for accountability.

MAJOR FUNDS

General Fund

Special Revenue Funds

Area Agency on Aging PSA Fund - Accounts for revenues and expenditures associated with a grant agreement with the New Mexico State Agency on Aging funded by the Older Americans Act, Title IIIB, IIIC, IIID and IIIE and the General Appropriations Act (House Bill 2). The counties served by PSA are: San Juan, Rio Arriba, Taos, Colfax, McKinley, Sandoval, Los Alamos, Santa Fe, San Miguel, Cibola, Valencia and Torrance, Catron, Socorro, Hidalgo, Grant, Sierra, Luna, Dona Ana and Otero.

Proprietary Funds

Economic Development Administration Revolving Loan Fund - Accounts for activities initially capitalized by a grant from the U. S. Department of Commerce and 25% matching funds. The fund was originally established in 1983 and is currently in its revolving phase. Loans are made to eligible borrowers to stimulate economic development. The principal and a portion of the interest on loan payments must remain intact and be used to recapitalize the fund for future loans.

Tri-County Revolving Loan Fund - Accounts for activities initially capitalized by a grant from the U. S. Department of Energy. The purpose of the grant was to stimulate economic development in Los Alamos, Rio Arriba and Santa Fe counties as a result of workforce displacement at Los Alamos National Laboratory. The restrictions associated with the grant expired in May 1999, however, it is the Board's intention to maintain the fund for economic development.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

2. **Summary of Significant Accounting Policies (Cont'd)**

C. **Basic Financial Statements - Fund Financial Statements (Cont'd)**

NONMAJOR FUNDS

Special Revenue Funds

Medicaid Personal Care Fund - Accounts for services provided and funds received under agreement with the New Mexico Human Services Department.

State Grant-in-Aid Fund - Created under Section 4-58-4, et. Seq., NMSA, 1978 Compilation. The purpose of the fund is to account for grant monies to assist units of local governments in development and implementation of regional economic development programs.

Economic Development Administration Planning Fund - Accounts for EDA grant funds used to implement an economic development program designed to encourage new employment opportunities and to foster a stable and diversified local economy. Funded by Section 301(b) of the Public Works and Economic Development Act of 1985, as amended.

San Miguel County Planning Funds - Accounts for the activities associated with a grant from San Miguel County.

NPRPO Transportation Planning - accounts for activities associated with a grant from the New Mexico State Highway Department for the Northern Pueblos Regional Planning Organization for planning.

Ohkay Owingeh - accounts for a contract with Ohkay Owingeh to administer the Pueblo's current Economic Development Administration construction grant.

Chimayo Mutual Domestic Planning - accounts for activities associated with funding for the Greater Chimayo Mutual Domestic Water Consumers Association for planning.

NewMARC Planning - accounts for contributions from the seven counties of government in New Mexico to a voluntary association, the NM Association of Regional Councils. NewMARC provides training and educational opportunities for its members.

Economic Development Administration RLF Administration Fund - Accounts for the cost of administering the Economic Development Administration Revolving Loan Fund. Under the terms of the agreement with the U. S. Department of Commerce, a portion of the interest earned on loans is to be used for the administration of the fund.

Tri-County RLF Administration Fund - Accounts for the cost of administering the Tri-County Revolving Loan Fund.

Land Grant - DFA - Accounts for activities associated with a grant from the DFA for land grant for capital outlay and technical assistance to land grants to enable them to function as special purpose units of government under New Mexico law.

MLECT - Accounts for activities associated with a contract with Mexicano Land Education and Conservation Trust (a non-profit) for contractual technical assistance to land grants.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

2. Summary of Significant Accounting Policies (Cont'd)

C. Basic Financial Statements - Fund Financial Statements (Cont'd)

NERPO Planning - Accounts for activities associated with a grant from the New Mexico State Highway Department for the Northeast Regional Planning Organization for planning.

EMNRD Planning - Accounts for activities associated with a grant from the New Mexico Energy, Minerals and Natural Resources Department for planning.

Kellogg-EBSI Planning - Accounts for activities associated with a private grant from the W.K. Kellogg Foundation for the Empowering Northern New Mexico Spirit Initiative (EBS) for support and training.

McCune Foundation - Accounts for activities associated with a grant from the McCune Foundation.

Regional Development Corporation - Accounts for activities associated with a purpose of developing a 25 year strategic economic development plan for Los Alamos, Santa Fe, Rio Arriba and Taos counties and associated municipalities and tribes.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual - The government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual - The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (normally sixty days). Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

E. Encumbrances

Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to preserve that portion of the applicable appropriation, is not employed by the District.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

2. Summary of Significant Accounting Policies (Cont'd)

G. Financial Statement Amounts

1. Cash on Deposit

The District considers highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash consists of petty cash and cash on deposit with banks.

2. Accrued Revenue

Various reimbursement procedures are used for Federal, State and Local awards received by the District. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year end represent amounts expended during the fiscal year that are related to grant programs, however, the reimbursement for the expenditure was not received prior to the end of the fiscal year.

3. Interfund Receivables and Payables

To improve efficiency and physical control, the District maintains a pooled cash account for all governmental funds with each fund having an interest in the pooled cash account and reporting its interest in its balance sheet. Funds that have overdrawn their share of the pooled cash account report an interfund liability to the General Fund (the fund that management has deemed to have "loaned" the cash to the overdrawn fund). The General Fund reports a receivable from the overdrawn fund. Interfund balances are expected to be repaid within one year from the date of the financial statements of June 30, 2009.

4. Loans Receivable and Allowance for Loan Losses

The District administers various revolving loan funds. The funds were initially capitalized through grants from other governmental entities. The grants provide capital for loan pools which finance business development activities consistent with local economic development strategies. Loan repayments, plus interest and other related income, create a revolving source of capital to finance other business enterprises.

Loans are stated at unpaid principal balances. Interest income generally is not recognized on specific impaired loans unless the likelihood of further loss is remote. Interest income on impaired loans is recognized only to the extent of interest payments received. Loans are secured by various assets pledged by the borrower.

The allowance for loan losses is maintained at a level which, in management's judgement, is adequate to absorb credit losses inherent in the loans. The amount of the allowance is based on management's evaluation of the collectibility of the loans, including the nature of the loans, credit concentrations, trends in historical loss experience, specific impaired loans, economic conditions and other risks inherent in the loans. Although management uses available information to recognize losses on loans, because of uncertainties associated with local economic conditions, collateral values, and future cash flows, it is reasonably possible that a material change could occur in the allowance for loan losses in the near future. However, the amount of the change that is reasonably possible cannot be estimated. The allowance is increased by a provision for loan losses or reduced by loan loss recoveries, which is charged to expense or credited to income and reduced by charge-offs, net of recoveries. Changes in the allowance are charged to the provision for loan losses or credited to loan loss recoveries.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

2. Summary of Significant Accounting Policies (Cont'd)

G. Financial Statement Amounts

5. Capital Assets

Capital assets of the District include data processing equipment, furniture and fixtures, equipment and automobiles. The District does not have any infrastructure. Capital assets are defined in Section 12-6-10 NMSA 1978. Section 12-6-10 NMSA 1978, was amended effective June 19, 2005, changing the capitalization threshold of movable chattels and equipment from items costing more than \$1,000 to items costing more than \$5,000. The District has adopted this change in an accounting estimate, per Accounting Principles Board (APB) 20. Old inventory items that do not meet the new capitalization threshold will remain on the inventory list and continue to be depreciated. Any items received after July 1, 2005, will be added to the inventory only if they meet the new capitalization policy. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Computer software which is purchased with data processing computer equipment is included as part of the capitalized computer equipment in accordance with 2.20.1.9 C (5) The cost of maintenance and repairs that do not add to the asset value or materially extend assets lives are not capitalized. The District does not undertake major capital projects involving interest costs during the construction phase. There is no debt related to the capital assets. Capital assets of the District are depreciated using zero salvage value and the straight-line method over the following estimated useful lives:

Depreciation on all exhaustible capital assets is provided on the straight-line basis with no salvage value. The estimated useful life for capital assets is as follows:

Office equipment - 3 years

Vehicles - 5 years

Office furniture - 7 years

GASB Statement No. 34 requires the District to report and depreciate infrastructure assets. Infrastructure assets include roads, bridges, underground pipe, traffic signals, etc. The District does not own any infrastructure assets.

6. Due to Grantees

The District manages programs for the elderly under contract with the New Mexico State Agency on Aging pursuant to the Older Americans Act. The District contracts with local governments and not-for-profit organizations to provide services for the elderly. Amounts due to those providers are services rendered prior to year-end are recorded as due to grantees.

7. Deferred Revenue/Advances

In accordance with GASB Statement No. 33, most governmental grants are considered voluntary nonexchange transactions. Accordingly, revenues are recognized when allowable costs have been incurred and any other eligibility requirements have been met. Amounts provided in advance of requirements being met are presented as deferred revenues. The grants stipulate that any grant funds which are advanced and not expended by the expiration of the grant must be returned to the U. S. Treasury. The District does not anticipate any funds being returned to the grantors.

8. Compensated Absences

Employees are entitled to accumulate annual leave at a rate of three to four weeks per year depending on their tenure. A maximum of 240 hours of annual leave may be accrued. When employees terminate, they are compensated at their current hourly rate for accumulated unpaid annual leave as of the date of termination.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

2. Summary of Significant Accounting Policies (Cont'd)

G. Financial Statement Amounts (Cont'd)

Employees are entitled to accumulate sick leave at a rate of eight hours per month. There is no limit to the amount of sick leave that an employee may accumulate. Employees may trade in sick leave for annual leave at a rate of four hours of sick leave for one hour of annual leave.

The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources in accordance with GASB Interpretation No. 6 *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

9. Equity Classifications

Government-Wide Statements

Equity is classified as net assets. Net assets is the difference between assets and liabilities. Net assets invested in capital assets represents the historical cost of assets or fair value on date of receipt less accumulated depreciation on those assets. Net assets are reported as restricted when there are legal litigations imposed on their use by the District or external restrictions by other governments, creditors or grantors. Unrestricted net assets are all other net assets that do not meet the definition of "restricted" or "invested in capital assets".

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserve for fixed asset acquisitions represents amounts that the Board of Directors has set aside for fixed asset acquisitions. Reserve for compensated absences payable represents amounts that the Board of Directors has set aside to fund that liability. Unreserved fund balance represents funds that are available for expenditure in future years.

Proprietary fund equity is classified in the same manner as in the government-wide financial statements.

10. Revenues and Expenditures

Substantially all governmental fund revenues are accrued. Program revenues consist principally of Federal operating and State grants that are restricted to expenditure for a particular purpose. Proprietary fund program revenues consist principally of interest on loans receivable and are recognized when earned, except for interest on impaired loans which is recognized when received.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. Non-operating revenues are all other revenues. For the District, non-operating revenues include interest income.

Expenditures are recognized when the related fund liability is incurred.

3. Stewardship, Compliance and Accountability

By its nature as a government unit, the District is subject to various laws and contractual regulations. An analysis of the District's compliance with significant laws and regulations and demonstration of its stewardship over District resources follows:

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009**

3. Stewardship, Compliance and Accountability (Cont'd)

A. Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed operating budget is prepared prior to May 1 by the district's fiscal officers. The budget request includes proposed expenditures and the means of financing them through Federal and State grants and membership assessments.
2. A proposed budget is presented to the Executive Committee for review in its June meeting and subsequently approved by the Board of Directors. The Board of Directors must approve all subsequent budget transfers and increases. The budget was amended during the year. The legal level of budgetary control is by fund. In addition, budgetary control is also exercised at the grant level by program.
3. The General and Special Revenue funds operating budgets for the District are adopted on a basis consistent with accounting principles generally accepted in the United States of America, with the exception that prior cash budgeted is treated as a revenue source in the accompanying budgetary comparison statements. The District does not utilize an encumbrance system and appropriations do not lapse at year-end. No budgets are adopted for proprietary funds.

4. Detail Notes on Accounts and Transaction Classes

A. Cash on Deposit

Cash deposits are reported at carrying amount which reasonable estimates fair value. At year-end, the carrying amounts of bank accounts and bank balances were as follows:

	<u>Account Type</u>	<u>Balance per Depository</u>	<u>Reconciling Items</u>	<u>Balance Per Financial Statements</u>
Los Alamos Bank:				
General operating account	Demand	\$1,042,244	\$(549,833)	\$492,411
EDA RLF account	Demand	273,895	-	273,895
TC RLF account	Demand	213,815	-	213,815
Total		<u>\$1,529,954</u>	<u>\$(549,833)</u>	980,121
Petty cash				650
Total per government-wide and fund financial statements				<u>\$980,771</u>

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009**

4. Detail Notes on Accounts and Transaction Classes (Cont'd)

A. Cash on Deposit (Cont'd)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government's deposit policy for custodial credit risk is as follows:

Bank accounts are insured by the FDIC up to \$250,000, per bank, per type of account. In general, State statute require that banks pledge collateral equal to one half of the deposit balance in excess FDIC insurance limits. Accounts are in one financial institution as listed above. As of June 30, 2009, \$1,279,954 of the District's bank balances of \$1,529,954 is exposed to custodial credit risk as follows:

<u>Custodial Credit Risk</u>	<u>Bank Balance</u>
Fully insured (FDIC)	\$ 250,000
Collateralized with securities held by pledging financial institutions trust department or agent	<u>1,279,954</u>
	<u>\$ 1,529,954</u>

The following schedule presents cash on deposit with various banks and the collateral pledged by each institution in accordance with Section 6-10-16, NMSA, 1978 compilation:

<u>Los Alamos National Bank</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Total deposits per bank	\$1,529,954	\$ 980,121
Less deposits covered by FDIC	<u>(250,000)</u>	<u>(250,000)</u>
Total	<u>\$1,279,954</u>	<u>\$ 730,121</u>
50% collateral requirement	\$ (639,477)	\$ (365,060)
Pledged collateral	<u>2,500,000</u>	<u>2,500,000</u>
Over (under) requirement	<u>\$1,860,523</u>	<u>\$ 2,134,940</u>

Pledged security consists of the following items and is held by the Federal Home Loan Bank of Dallas, 8500 Freepoint Parkway South, Suite 100, Irving TX 75063-2547:

<u>Description</u>	<u>Par</u>	<u>Lower of Par of Market Value</u>
76171EJ6FFCB FHLB Letter of Credit Fixed Rate Note, 8/1/2011	\$2,500,000	\$2,500,000

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

4. Detail Notes on Accounts and Transaction Classes (Cont'd)

B. Accrued Revenue

Amounts are due from granting authorities as follows:

New Mexico Agency on Aging	\$ 1,552,625
San Miguel County, New Mexico	5,747
Transportation Planning	16,340
EDA Planning	25,000
U. S. Department of Transportation-NERPO-Regional Planning	12,088
Land Grant - DFA	<u>27,812</u>
 Total	 <u>\$ 1,639,612</u>

C. Loan Receivable and Allowance for Loan Losses

Net loans receivable of business-type activities are comprised of economic development loans with average maturities of seven years. Net loans receivable are comprised of the following amounts:

	<u>EDA RLF</u>	<u>TC RLF</u>	<u>Total</u>
Loans receivable-beginning	\$ 558,000	\$ 467,241	\$ 1,025,241
Plus: loans originated	65,228	-	65,228
Less: Loans repaid (canceled)	<u>(65,853)</u>	<u>(34,043)</u>	<u>(99,896)</u>
Loans receivable-ending	<u>557,375</u>	<u>433,198</u>	<u>990,573</u>
Allowance for loan losses-beginning	54,228	46,724	100,952
Plus: Provision for loan losses	1,509	-	1,509
Less: Loan loss recoveries	<u>-</u>	<u>(3,405)</u>	<u>(3,405)</u>
Allowance for loan losses-end	<u>55,737</u>	<u>43,319</u>	<u>99,056</u>
Net loans receivable	<u>\$ 501,638</u>	<u>\$ 389,879</u>	<u>\$ 891,517</u>

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

4. Detail Notes on Accounts and Transaction Classes (Cont'd)

D. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Audit Balance</u> <u>July 1, 2008</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Balance</u> <u>June 30, 2009</u>
Governmental activities:				
Furniture and equipment	\$ 153,134	\$ 21,645	\$ (17,850)	\$ 156,929
Leasehold improvements	9,371	-	-	9,371
Vehicles	213,786	-	-	213,786
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets	376,291	21,645	(17,850)	380,086
	<hr/>	<hr/>	<hr/>	<hr/>
Less accumulated depreciation:				-
Furniture and equipment	101,303	23,931	(17,850)	107,384
Leasehold improvements	4,017	1,339	-	5,356
Vehicles	136,122	26,482	-	162,604
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	241,442	51,752	(17,850)	275,344
	<hr/>	<hr/>	<hr/>	<hr/>
Net capital assets				
Furniture and equipment	51,831	(2,286)	-	49,545
Leasehold improvements	5,354	(1,339)	-	4,015
Vehicles	77,664	(26,482)	-	51,182
	<hr/>	<hr/>	<hr/>	<hr/>
Net capital assets	\$ 134,849	\$ (30,107)	\$ -	\$ 104,742

The District does not have any debt related to capital assets.

Depreciation expense of \$51,752 was charged and is included in the Community Welfare expense function of the governmental activities in the Statement of Activities, Exhibit B.

E. Long-Term Liabilities

Long-term liability activity of the governmental activities for the year ended June 30, 2009, was as follows:

	<u>Adjusted</u> <u>Balance</u> <u>July 1, 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2009</u>
Compensated absences payable	\$83,579	\$110,629	\$(104,019)	\$90,189

Management estimates that the amount payable within one year will be approximately \$73,163. In prior years the general fund has been used to liquidate compensated absences.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

4. Detail Notes on Accounts and Transaction Classes (Cont'd)

F. Lease Commitments

The District leases office space in Santa Fe, Taos, and Deming, NM. There are no future minimum rentals under the lease. Lease expenditures for the year ended June 30, 2009, amount to \$68,679.

G. Due To/From Other Funds

The following amounts are due to/from other funds.

	Due to General Fund	Due to AAA State Funds HB2	Due to AAA Title III-B
AAA-PSA -Senior Employment Program	\$ -	\$ 4,533	\$ 25,372
AAA-PSA-Title III-C-1	-	18,419	-
AAA-PSA-Administration-ADDG	-	34,007	-
Planning and Tech Assistance - State Grant-in-Aid	24,720	-	-
Planning and Tech. Assistance-San Miguel County Special Revenue Fund	5,747	-	-
Planning and Tech. Assistance-NPRPO-Transportation	16,128	-	-
Planning and Tech Assistance-NERPO Planning Special Revenue Fund	11,982	-	-
Planning and Tech Assistance-Land Grant-DFA Special Revenue Fund	27,736	-	-
	<u>\$ 86,313</u>	<u>\$ 56,959</u>	<u>\$ 25,372</u>

See Note 2.G.3 regarding the purpose of interfund balances. The interfund balances have been eliminated in the government-wide financial statements.

H. Interfund Transfers

Operating transfers are as follows:

	Transfer In	Transfer Out
Governmental activities:		
General Fund	\$ -	\$ 46,430
General Fund-Office Building Reserve	25,000	-
Economic Development Admin. Planning Fund	21,430	-
EDA RLF Administration Fund	11,323	-
TC RLF Administration Fund	18,377	-
Business-type activities:		
Economic Development Admin. RLF	-	11,323
Tri-County RLF	-	18,377
	<u>\$ 76,130</u>	<u>\$ 76,130</u>

Interfund transfers are used to provide matching funds on grants or to transfer funds from the fund required to receive resources to the fund that budgets expenditure of resources. Interfund transfers have been eliminated in the government-wide financial statements except for the residual transfers between governmental activities and business-type activities.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

4. Detail Notes on Accounts and Transaction Classes (Cont'd)

I. Short-Term Debt

The District had no short-term debt activity during the year.

5. Pension Plan - Public Employees Retirement Association

Plan Description. Substantially all of the Board'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 7.42% of their gross salary. The District is required to contribute 16.59% of the gross covered salary. The contribution requirements of plan members and the District's are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Office's contributions to PERA for the fiscal years ending June 30, 2009, 2008, and 2007 were \$212,069, \$191,243, and \$172,315, respectively, which equal the amount of the required contributions for each fiscal year.

6. Post Employment Benefits - State Retiree Health Care Plan

Plan Description. The District 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 the 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

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

6. Post Employment Benefits - State Retiree Health Care Plan (Cont'd)

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. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998, 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 District's contributions to the RHCA for the years ended June 30, 2009, 2008, and 2007, were \$16,335, \$14,750, and \$13,409, respectively, which equal the required contributions for each year.

7. Risk Management

The District obtains coverage through Risk Management Division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance and state unemployment. These coverages are designed to satisfy the requirements of the State Tort Claims Act. All employees of the District are covered by blanket fidelity bond up to \$5,000,000 with a \$1,000 deductible per occurrence by the State of New Mexico for the period July 1, 2007, through June 30, 2008. The District paid \$28,764 to the RMD in insurance premiums for the 2008-2009 fiscal year.

8. Contingencies

The District receives funding pursuant to various grant programs. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant that, if not met, could require the District to refund amounts received in the granting agency. The District carefully monitors grant requirements and believes it has met all such conditions.

9. Joint Powers Agreement

The District was created by a joint powers agreement entered into on May 13, 1967, pursuant to the Joint Powers Agreement Act, between the District, the City of Santa Fe, and the following counties: Colfax, Taos, Rio Arriba, Sandoval, Los Alamos, San Miguel, Mora and Santa Fe.

The governing body of the district is its Board of Directors, which is made up of representatives of each county. The Board has thirty-four members.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to Financial Statements
June 30, 2009

9. Joint Powers Agreement (Cont'd)

The District was created for the following purposes:

1. To implement and carry out the provisions and spirit of the Public Works and Economic Development Act of 1965, Public Law 8-136, and all subsequently enacted Federal and State legislation related to these purposes.
2. To stimulate economic growth and orderly development through multi-county planning and investment, pooling of total resources and vigorous local leadership involvement.
3. To take a broad view of the area and the community development process, and establish a framework for lasting short-range and long-range economic expansion.
4. To prepare, adopt and extend a District "Overall Economic Development Program" (OEDP) as required for District formal designation.
5. To formulate, develop and administer the District OEDP and coordinate this activity among the member Counties and Municipalities.
6. To implement specific programs and projects as are considered essential and worth to the members of the District.
7. To carry out such research, planning and advisory functions as are necessary and helpful to the foregoing.

The agreement is perpetual or until dissolved by the Board of Directors with approval of the New Mexico State Board of Finance.

The District prepares an annual budget and keeps records of all transactions. All records are audited annually by proper authority.

10. Prior-Period Adjustments to Net Assets/Fund Balance

An adjustment to the Area Agency on Aging PSA Fund balance was required as a result of prior-year expense adjustments.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING BALANCE SHEET - OTHER FUNDS
Non-Major Governmental Funds
June 30, 2009

	<u>Medicaid Personal Care</u>	<u>State Grant-in- Aid</u>	<u>Economic Development Admin. Planning</u>	<u>San Miguel County Planning</u>	<u>NPRPO Transportation Planning</u>	<u>Sub-total</u>
<u>Assets</u>						
Cash on deposit	\$ 69,493	\$ 1,903	\$ -	\$ -	\$ -	\$ 71,396
Due from grantors	-	-	25,000	5,747	16,340	47,087
Prepaid expenses	-	-	-	-	-	-
Total assets	\$ 69,493	\$ 1,903	\$ 25,000	\$ 5,747	\$ 16,340	\$ 118,483
<u>Liabilities and Fund Equity</u>						
Liabilities:						
Accounts payable	\$ 59	\$ 1,842	\$ 280	\$ -	\$ 211	\$ 2,392
Payroll taxes payable	-	-	-	-	-	-
Payroll benefits payable	-	61	-	-	1	62
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	24,720	5,747	16,128	46,595
Due to the State of NM	-	-	-	-	-	-
Assets held for others	-	-	-	-	-	-
Total liabilities	59	1,903	25,000	5,747	16,340	49,049
Fund Equity:						
Fund balance:						
Unreserved, undesignated	69,434	-	-	-	-	69,434
Total fund equity	69,434	-	-	-	-	69,434
Total liabilities and fund equity	\$ 69,493	\$ 1,903	\$ 25,000	\$ 5,747	\$ 16,340	\$ 118,483

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING BALANCE SHEET - OTHER FUNDS
Non -Major Governmental Funds
June 30, 2009

	<u>Ohkay Planning</u>	<u>Chimayo Mutual Domestic Planning</u>	<u>NewMARC Planning</u>	<u>EDA-RLF Admin.</u>	<u>TC-RLF Admin.</u>	<u>Sub-total</u>
<u>Assets</u>						
Cash on deposit	\$ 1,529	\$ -	\$ 18,230	\$ 3,580	\$ 1,270	\$ 96,005
Due from grantors	-	-	-	-	-	47,087
Prepaid expenses	-	-	-	-	-	-
Total assets	\$ 1,529	\$ -	\$ 18,230	\$ 3,580	\$ 1,270	\$ 143,092
<u>Liabilities and Fund Equity</u>						
Liabilities:						
Accounts payable	\$ 1,003	\$ -	\$ -	\$ 14	\$ 78	\$ 3,487
Payroll taxes payable	-	-	-	-	-	-
Payroll benefits payable	-	-	-	-	-	62
Deferred revenue	526	-	-	-	-	526
Due to other funds	-	-	-	-	-	46,595
Due to the State of NM	-	-	-	-	-	-
Assets held for others	-	-	18,230	-	1,192	19,422
Total liabilities	1,529	-	18,230	14	1,270	70,092
Fund Equity:						
Fund balance:						
Unreserved, undesignated	-	-	-	3,566	-	73,000
Total fund equity	-	-	-	3,566	-	73,000
Total liabilities and fund equity	\$ 1,529	\$ -	\$ 18,230	\$ 3,580	\$ 1,270	\$ 143,092

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING BALANCE SHEET - OTHER FUNDS
Non -Major Governmental Funds
June 30, 2009

	NERPO Planning	EMNRD Planning	Kellogg- EBSI Planning	McCune Foundation	Regional Development Corporation	Land Grant DFA	MLECT	Total
Assets								
Cash on deposit	\$ -	\$ 452	\$ -	\$ 14,411	\$ 8,333	\$ -	\$ -	\$ 119,201
Due from grantors	12,088	-	-	-	-	27,812	-	86,987
Prepaid expenses	-	-	-	-	-	-	-	-
Total assets	\$ 12,088	\$ 452	\$ -	\$ 14,411	\$ 8,333	\$ 27,812	\$ -	\$ 206,188
Liabilities and Fund Equity								
Liabilities:								
Accounts payable	\$ 92	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ 3,679
Payroll taxes payable	-	-	-	-	-	-	-	-
Payroll benefits payable	14	-	-	-	-	76	-	152
Deferred revenue	-	-	-	-	8,233	-	-	8,759
Due to other funds	11,982	-	-	-	-	27,736	-	86,313
Due to the State of NM	-	452	-	-	-	-	-	452
Assets held for others	-	-	-	-	-	-	-	19,422
Total liabilities	12,088	452	-	-	8,333	27,812	-	118,777
Fund Equity:								
Fund balance:								
Unreserved, undesignated	-	-	-	14,411	-	-	-	87,411
Total fund equity	-	-	-	14,411	-	-	-	87,411
Total liabilities and fund equity	\$ 12,088	\$ 452	\$ -	\$ 14,411	\$ 8,333	\$ 27,812	\$ -	\$ 206,188

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - OTHER FUNDS
Non-Major Governmental Funds
For the Year Ended June 30, 2009

	Medicaid Personal Care	State Grant-in- Aid	Economic Development Admin. Planning	San Miguel County Planning	NPRPO Transportation Planning	Sub-total
REVENUES						
Federal operating grants	\$ -	\$ -	\$ 49,934	\$ -	\$ 70,847	\$ 120,781
State operating grants and contracts	-	121,631	-	-	-	121,631
Local and private grants and contributions	-	-	-	-	-	-
Total revenues	-	121,631	49,934	-	70,847	242,412
EXPENDITURES						
Community welfare:						
Health and welfare	-	-	-	-	-	-
Administration	6,936	121,631	71,364	-	70,847	270,778
Capital outlay	-	-	-	-	-	-
Total expenditures	6,936	121,631	71,364	-	70,847	270,778
Excess (deficiency) of revenue over expenditures	(6,936)	-	(21,430)	-	-	(28,366)
Other financing sources (uses)						
Operating transfers in (out)	-	-	21,430	-	-	21,430
Total other financing sources (uses)	-	-	21,430	-	-	21,430
Net change in fund balance	(6,936)	-	-	-	-	(6,936)
Fund balance - beginning	76,370	-	-	-	-	76,370
Fund balance - ending	<u>\$ 69,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,434</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - OTHER FUNDS
Non-Major Governmental Funds
For the Year Ended June 30, 2009

	Ohkay Planning	Chimayo Mutual Domestic Planning	New Marc Planning	EDA-RLF Admin.	TC-RLF Admin.	Sub-total
REVENUES						
Federal operating grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,781
State operating grants and contracts	-	-	-	-	-	121,631
Local and private grants and contributions	<u>3,662</u>	<u>34,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,237</u>
Total revenues	<u>3,662</u>	<u>34,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>280,649</u>
EXPENDITURES						
Community welfare:						
Health and welfare	-	-	-	-	-	-
Administration	3,662	34,585	-	14,663	18,809	342,497
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,662</u>	<u>34,585</u>	<u>-</u>	<u>14,663</u>	<u>18,809</u>	<u>342,497</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>(14,663)</u>	<u>(18,809)</u>	<u>(61,848)</u>
Other financing sources (uses)						
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,323</u>	<u>18,377</u>	<u>51,130</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,323</u>	<u>18,377</u>	<u>51,130</u>
Net change in fund balance	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>(3,340)</u>	<u>(432)</u>	<u>(10,718)</u>
Fund balance - beginning	<u>-</u>	<u>10</u>	<u>-</u>	<u>6,906</u>	<u>432</u>	<u>83,718</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,566</u>	<u>\$ -</u>	<u>\$ 73,000</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - OTHER FUNDS
Non-Major Governmental Funds
For the Year Ended June 30, 2009

	NERPO Planning	EMNRD Planning	Kellogg- EBSI Planning	McCune Foundation	Regional Development Corporation	Land Grant DFA	MLECT	Total
REVENUES								
Federal operating grants	\$ 73,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	193,948
State operating grants and contracts	-	-	-	-	-	27,812	-	149,443
Local and private grants and contributions	-	-	709	-	27,548	-	47,448	113,942
Total revenues	73,167	-	709	-	27,548	27,812	47,448	457,333
EXPENDITURES								
Community welfare:								
Health and welfare	-	-	-	-	-	-	-	-
Administration	71,627	-	709	1,264	27,548	27,812	47,448	518,905
Capital outlay	1,540	-	-	-	-	-	-	1,540
Total expenditures	73,167	-	709	1,264	27,548	27,812	47,448	520,445
Excess (deficiency) of revenue over expenditures	-	-	-	(1,264)	-	-	-	(63,112)
Other financing sources (uses)								
Operating transfers in (out)	-	-	-	-	-	-	-	51,130
Total other financing sources (uses)	-	-	-	-	-	-	-	51,130
Net change in fund balance	-	-	-	(1,264)	-	-	-	(11,982)
Fund balance - beginning	-	-	-	15,876	-	-	-	99,394
Fund balance - ending	\$ -	\$ -	\$ -	\$ 14,412	\$ -	\$ -	\$ -	\$ 87,412

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
MEDICAID PERSONAL CARE (LTC) (02-420)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
State operating grants and contracts	\$ -	\$ -	\$ -	\$ -
Prior cash budgeted	<u>76,686</u>	<u>76,686</u>	<u>-</u>	<u>(76,686)</u>
Total revenues	<u>76,686</u>	<u>76,686</u>	<u>-</u>	<u>(76,686)</u>
EXPENDITURES:				
Community welfare:				
Administration	7,000	6,937	6,936	1
Budgeted reserves	<u>69,686</u>	<u>69,749</u>	<u>-</u>	<u>69,749</u>
Total expenditures	<u>76,686</u>	<u>76,686</u>	<u>6,936</u>	<u>69,750</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,936)</u>	<u>\$ (6,936)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 6,936	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 6,936</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
STATE GRANT-IN-AID (04-160)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
State operating grants and contracts	\$ 124,750	\$ 121,631	\$ 121,631	\$ -
Total revenues	<u>124,750</u>	<u>121,631</u>	<u>121,631</u>	<u>-</u>
EXPENDITURES:				
Community welfare: Administration	<u>124,750</u>	<u>121,631</u>	<u>121,631</u>	<u>-</u>
Total expenditures	<u>124,750</u>	<u>121,631</u>	<u>121,631</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 121,631	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 121,631</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
ECONOMIC DEVELOPMENT ADMINISTRATION PLANNING (230)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Federal operating grants and contracts	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Operating transfers in	10,715	10,715	10,715	-
Prior cash budgeted	-	-	-	-
Total revenues	<u>35,715</u>	<u>35,715</u>	<u>35,715</u>	<u>-</u>
EXPENDITURES:				
Community welfare:				
Administration	35,715	35,715	35,715	-
Total expenditures	<u>35,715</u>	<u>35,715</u>	<u>35,715</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 35,715	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 35,715</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
ECONOMIC DEVELOPMENT ADMINISTRATION PLANNING (232)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Federal operating grants and contracts	\$ 25,000	\$ 25,000	\$ 24,934	\$ (66)
Operating transfers in	10,715	10,715	10,715	-
Prior cash budgeted	-	-	-	-
Total revenues	<u>35,715</u>	<u>35,715</u>	<u>35,649</u>	<u>(66)</u>
EXPENDITURES:				
Community welfare:				
Administration	<u>35,715</u>	<u>35,656</u>	<u>35,649</u>	<u>7</u>
Total expenditures	<u>35,715</u>	<u>35,656</u>	<u>35,649</u>	<u>7</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>59</u>	\$ <u>-</u>	\$ <u>(59)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 35,649	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 35,649</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
NPRPO TRANSPORTATION PLANNING (250)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Federal operating grants	\$ 65,160	\$ 70,848	\$ 70,847	\$ (1)
Total revenues	<u>65,160</u>	<u>70,848</u>	<u>70,847</u>	<u>(1)</u>
EXPENDITURES:				
Community welfare:				
Administration	<u>65,160</u>	<u>70,848</u>	<u>70,847</u>	<u>1</u>
Total expenditures	<u>65,160</u>	<u>70,848</u>	<u>70,847</u>	<u>1</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 70,847	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 70,847</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
OHKAY - PLANNING (04-315)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Local and private grants and contracts	\$ -	\$ 3,662	\$ 3,662	\$ -
Prior cash budgeted	<u>4,610</u>	<u>948</u>	<u>-</u>	<u>(948)</u>
Total revenues	<u>4,610</u>	<u>4,610</u>	<u>3,662</u>	<u>(948)</u>
EXPENDITURES:				
Community welfare:				
Health and welfare	4,610	3,663	3,662	1
Budgeted reserves	<u>-</u>	<u>947</u>	<u>-</u>	<u>947</u>
Total expenditures	<u>4,610</u>	<u>4,610</u>	<u>3,662</u>	<u>948</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 3,662	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 3,662</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
GREATER CHIMAYO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION -DOH - PLANNING (04-322)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Favorable</u>
	<u>Budget</u>	<u>Budget</u>	<u>Basis</u>	<u>(Unfavorable)</u>
REVENUES:				
Local and private grants and contributions	\$ 35,000	\$ 34,585	\$ 34,575	\$ (10)
Total revenues	<u>35,000</u>	<u>34,585</u>	<u>34,575</u>	<u>(10)</u>
EXPENDITURES:				
Community welfare:				
Health and welfare	<u>35,000</u>	<u>34,585</u>	<u>34,585</u>	<u>-</u>
Total expenditures	<u>35,000</u>	<u>34,585</u>	<u>34,585</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(10)</u>	\$ <u>(10)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 34,585	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 34,585</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
REGIONAL DEVELOPMENT CORPORATION (04-303)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Local and private grants and contracts	\$ 62,938	\$ 27,549	\$ 27,551	\$ 2
Total revenues	<u>62,938</u>	<u>27,549</u>	<u>27,551</u>	<u>2</u>
EXPENDITURES:				
Community welfare:				
Administration	<u>62,938</u>	<u>27,549</u>	<u>27,548</u>	<u>1</u>
Total expenditures	<u>62,938</u>	<u>27,549</u>	<u>27,548</u>	<u>1</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3</u>	\$ <u>3</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 27,548	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 27,548</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
EDA - RLF ADMINISTRATION (11-601)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Operating transfers in	\$ 20,000	\$ 11,323	\$ 11,323	\$ -
Prior year cash budgeted	-	3,340	-	(3,340)
Total revenues	<u>20,000</u>	<u>14,663</u>	<u>11,323</u>	<u>(3,340)</u>
EXPENDITURES:				
Community welfare:				
Administration	20,000	14,663	14,663	-
Budgeted reserves	-	-	-	-
Total expenditures	<u>20,000</u>	<u>14,663</u>	<u>14,663</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,340)</u>	<u>\$ (3,340)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 14,663	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 14,663</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
TCR-RLF ADMINISTRATION (10-601)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Operating transfers in Prior-cash budgeted	\$ 20,000	\$ 18,377	\$ 18,377	\$ -
	<u>-</u>	<u>697</u>	<u>-</u>	<u>(697)</u>
Total revenues	<u>20,000</u>	<u>19,074</u>	<u>18,377</u>	<u>(697)</u>
EXPENDITURES:				
Community welfare: Administration	<u>20,000</u>	<u>19,074</u>	<u>18,809</u>	<u>265</u>
Total expenditures	<u>20,000</u>	<u>19,074</u>	<u>18,809</u>	<u>265</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(432)</u>	\$ <u>(432)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 18,809	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 18,809</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
NERPO PLANNING (255)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Federal operating grants	\$ 65,160	\$ 73,167	\$ 73,167	\$ -
Total revenues	<u>65,160</u>	<u>73,167</u>	<u>73,167</u>	<u>-</u>
EXPENDITURES:				
Community welfare: Administration	<u>65,160</u>	<u>73,167</u>	<u>73,167</u>	<u>-</u>
Total expenditures	<u>65,160</u>	<u>73,167</u>	<u>73,167</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 73,167	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 73,167</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
EMNRD PLANNING (260)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
State operating grants	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Community welfare:				
Administration	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ -	
Adjustments- none			-	
Budget basis expenditures			\$ -	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
KELLOGG- EBSI PLANNING (305)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Local and private grants and contributions	\$ -	\$ 709	\$ 709	\$ -
Prior cash budgeted	709	-	-	-
Total revenues	<u>709</u>	<u>709</u>	<u>709</u>	<u>-</u>
EXPENDITURES:				
Community welfare:				
Administration	709	709	709	-
Total expenditures	<u>709</u>	<u>709</u>	<u>709</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 709	
Adjustments- none			-	
Budget basis expenditures			<u>\$ 709</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
McCUNE FOUNDATION (301)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Local and private grants and contributions	\$ -	\$ 1,265	\$ 1,265	\$ -
Prior cash budgeted	<u>16,219</u>	<u>14,411</u>	<u>-</u>	<u>(14,411)</u>
Total revenues	<u>16,219</u>	<u>15,676</u>	<u>1,265</u>	<u>(14,411)</u>
EXPENDITURES:				
Community welfare:				
Administration	16,219	1,265	1,265	-
Budgeted reserves	<u>-</u>	<u>14,411</u>	<u>-</u>	<u>14,411</u>
Total expenditures	<u>16,219</u>	<u>15,676</u>	<u>1,265</u>	<u>14,411</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 1,265	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 1,265</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
LAND GRANT-DFA (04-265)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
State operating grants and contracts	\$ 200,000	\$ 27,812	\$ 27,812	\$ -
Total revenues	<u>200,000</u>	<u>27,812</u>	<u>27,812</u>	<u>-</u>
EXPENDITURES:				
Community welfare:				
Administration	200,000	27,812	27,812	-
Total expenditures	<u>200,000</u>	<u>27,812</u>	<u>27,812</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 27,812	
Adjustments- none			<u>-</u>	
Budget basis expenditures			<u>\$ 27,812</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Non-Major Governmental Funds
MLECT (04-302)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Local and private grants and contributions	\$ -	\$ 47,448	\$ 47,448	\$ -
Prior cash budgeted	-	-	-	-
Total revenues	-	47,448	47,448	-
EXPENDITURES:				
Community welfare:				
Administration	-	47,448	47,448	-
Total expenditures	-	47,448	47,448	-
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 47,448	
Adjustments- none			-	
Budget basis expenditures			\$ 47,448	

The accompanying notes are an integral part of the financial statements.

SUPPLEMENTAL SCHEDULES

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Schedule of Expenditure of Federal Awards
For Year Ending June 30, 2009

Federal Grantor/Pass Through Grantor/Program Title	Federal Catalog Domestic Assistance Number	Pass- Through Entity Identifying Number	Federal Expenditures	To Sub- recipients	For Admin- istration
U.S. Department of Commerce					
Economic Development - State and Local Economic Development Planning	11.302	N/A	\$ 49,934	\$ -	\$ -
Special Economic Development and Adjustment Assistance Program: Sudden and Severe Economic Dislocation and Long-Term Deterioration - EDA loans (MAJOR)	11.307	N/A	845,934	-	-
Total U.S. Department of Commerce			<u>895,868</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation					
NPRPO - Transportation-Regional Planning (Title 23, USC Sec. 135 and Title 49 USC Sec. 5313)	20.205	M00371	70,847	-	-
NERPO - Transportation-Regional Planning (Title 23, USC Sec. 135 and Title 49 USC Sec. 5313)	20.205	M00473/WA	73,167	-	-
Total U.S. Department of Transportation			<u>144,014</u>	<u>-</u>	<u>-</u>
U.S. Department of Health and Human Services					
New Mexico State Agency on Aging					
Title III, Part B - Supportive Services and Senior Centers (MAJOR)	93.044	Cluster	1,338,810	1,224,789	114,021
Title III, Part C-1 - Nutrition Services (MAJOR)	93.045	Cluster	1,600,604	1,456,096	144,508
Title III, Part C-2 - Nutrition Services (MAJOR)	93.045	Cluster	694,169	656,343	37,826
Title III, Part D - Disease Prevention and Health Promotion (MAJOR)	93.043		95,941	95,941	-
Title III, Part E - National Family Caregiver Support (MAJOR)	93.052		659,027	593,125	65,902
Nutrition Services Incentive Program (MAJOR)	93.053	Cluster	1,514,865	1,514,865	-
Total U.S. Department of Health and Human Services			<u>5,903,416</u>	<u>5,541,159</u>	<u>362,257</u>
Total Expenditure of Federal Awards			<u>\$ 6,943,298</u>	<u>\$ 5,541,159</u>	<u>\$ 362,257</u>

The accompanying notes are an integral part of this schedule.

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2009

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Northern Central New Mexico Economic Development District (the District) and is presented on the accrual basis of accounting, except that loans outstanding at the beginning of the period and loans made during the period are presented as expenditures. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of states, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of the basic financial statements.

2. Loans Outstanding

The District had the following loan balances outstanding at June 30, 2009. The loan balances were initially funded with Federal funds at the rate of 75%. These loan balances outstanding are also included in the federal expenditures presented in this schedule.

<u>Cluster/Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Special Economic Development and Adjustment Assistance Program: Sudden and Severe Economic Dislocation and Long-Term Economic Deterioration	11.307	\$845,934

3. Subrecipients

<u>Cluster/Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Special Programs for the Aging:		
Title III, Part B - Supportive Services and Senior Centers	93.044	\$1,224,789
Title III, Part C - Nutrition Services	93.045	2,112,439
Title III, Part D - Disease Prevention and Health Promotion	93.043	95,941
Title III, Part E - National Family Caregiver Support	93.052	593,125
Nutrition Services Incentive Program	93.053	<u>1,514,865</u>
		<u>\$5,541,159</u>

4. Reconciliation of Schedule to Basic Financial Statements

Expenditures per Schedule of Expenditures of Federal Awards	\$6,943,298
Less: Loans at end of year, cash balances and administrative expenditures	<u>(845,934)</u>
 Federal operating grant revenues per the Fund Financial Statements (Exhibit E)	 <u>\$6,097,364</u>

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
COMBINING BALANCE SHEET - BY PROGRAM
State of New Mexico Agency on Aging - PSA
June 30, 2009

	02-100 State Funds HB2	02-110 Senior Employ Pro	02-111 SEP/ Enrollee	02-201 Title III-B	02-202 Title C-1	02-203 Title C-2	02-204 Title III-D	02-205 Title III-E	02-210 Cash in Lieu NSIP	Sub- Total
ASSETS										
Cash	-	-	300	\$88,423	-	\$5,188	\$7,362	\$14,379	\$29,341	\$144,993
Due from grantors	958,530	195,695	-	-	92,227	38,821	-	74,162	158,816	1,518,251
Due from other funds	58,959	-	-	25,372	-	-	-	-	-	82,331
Total Assets	\$1,015,489	\$195,695	\$300	\$113,795	\$92,227	\$44,009	\$7,362	\$88,541	\$188,157	\$1,745,575
LIABILITIES AND FUND BALANCE										
Liabilities:										
Payroll taxes payable	-	-	-	-	-	-	-	-	-	-
Payroll benefits payable	-	86	-	-	-	-	-	-	-	86
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Accounts payable	1,015,489	143,884	300	111,696	73,406	44,009	7,362	88,541	188,153	1,672,640
Deferred revenue	-	-	-	2,099	-	-	-	-	-	2,099
Due to other funds	-	29,905	-	-	18,419	-	-	-	-	48,324
Other liabilities	-	-	-	-	-	-	-	-	-	-
Due to State of New Mexico	-	22,020	-	-	402	-	-	-	4	\$22,426
Total Liabilities	1,015,489	195,695	300	113,795	92,227	44,009	7,362	88,541	188,157	1,745,575
Fund Balance	-	-	-	-	-	-	-	-	-	-
Total Liabilities and Fund Balance	\$1,015,489	\$195,695	\$300	\$113,795	\$92,227	\$44,009	\$7,362	\$88,541	\$188,157	\$1,745,575

	02-501 PSA Adminis.	02-502 PSA Adm-ADDG	02-504 PSA Cap Out	02-505 PSA Cap Out-Com	02-506 PSA Alliance	02-507 PSA Dir. Sr.	02-508 PSA N4AAA	03-100 State Funds HB2	Sub- Total	Total
ASSETS										
Cash	\$24,814	-	\$1,580	\$1,874	\$3,671	-	\$6,625	\$320	38,884	\$183,877
Due from grantors	1,376	34,387	(1,389)	-	-	-	-	-	34,374	1,552,625
Due from other funds	-	-	-	-	-	-	-	-	-	82,331
Total Assets	\$26,190	\$34,387	\$191	\$1,874	\$3,671	-	\$6,625	\$320	\$73,258	\$1,818,833
LIABILITIES AND FUND BALANCE										
Liabilities:										
Payroll taxes payable	\$101	-	-	-	-	-	-	-	\$101	\$101
Payroll benefits payable	\$445	-	-	-	-	-	-	-	\$445	531
Accrued expenses	-	-	-	-	-	-	-	-	-	-
Accounts payable	23,487	-	-	-	-	-	-	-	23,487	1,696,127
Deferred revenue	-	-	-	-	-	-	6,625	-	\$6,625	8,724
Due to other funds	-	34,007	-	-	-	-	-	-	34,007	82,331
Other liabilities	2,000	-	-	-	3,671	-	-	-	5,671	5,671
Due to State of New Mexico	-	-	-	-	-	-	-	320	320	22,746
Total Liabilities	26,033	34,007	-	-	3,671	-	6,625	320	\$70,656	1,816,231
Fund Balance	157	380	191	1,874	-	-	-	-	2,602	2,602
Total Liabilities and Fund Balance	\$26,190	\$34,387	\$191	\$1,874	\$3,671	-	\$6,625	\$320	\$73,258	\$1,818,833

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BY PROGRAM
State of New Mexico Agency on Aging - PSA
For the Year Ended June 30, 2009

	02-100 State Funds HB2	02-110 Senior Employ Pro	02-111 SEP/ Enrollees	02-201 Title III-B	02-202 Title C-1	02-203 Title C-2	02-204 Title III-D	02-205 Title III-E	02-210 Cash in Lieu NS/P	Sub- Total
REVENUES										
Federal - AAA	-	-	-	\$1,224,789	\$1,456,096	\$656,343	\$95,941	\$593,125	\$1,514,865	\$5,541,159
Federal cash in lieu	-	-	-	-	-	-	-	-	-	-
State	11,219,780	930,855	46,030	-	-	-	-	-	-	12,196,665
Local	-	-	-	-	-	-	-	-	-	-
Total Revenues	11,219,780	930,855	46,030	1,224,789	1,456,096	656,343	95,941	593,125	1,514,865	17,737,824
EXPENDITURES										
Administration	-	134,447	46,030	-	-	-	-	-	-	180,477
Distribution to grantees	11,219,781	796,408	-	1,224,789	1,456,096	656,343	95,941	593,125	1,514,865	17,557,348
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	11,219,781	930,855	46,030	1,224,789	1,456,096	656,343	95,941	593,125	1,514,865	17,737,825
Excess (deficiency of revenues over expenditures)	(1)	-	-	-	-	-	-	-	-	(1)
Fund balance, beg. as reported	-	-	-	-	-	-	-	-	-	-
Restatements:										
Prior-period adjustment	-	-	-	-	-	-	-	-	-	-
Fund balance, be., as restated	-	-	-	-	-	-	-	-	-	-
Fund balance, end	(1)	-	-	-	-	-	-	-	-	(1)

	02-501 PSA Admin.	02-502 PSA Adm-ADDG	02-504 PSA Cap Out	02-505 PSA Cap Out-Comp	02-507 PSA Dir. Sr.	02-508 PSA N4AA	03-100 State Funds HB2	Sub- Total	Total
REVENUES									
Federal - AAA	\$362,257	-	-	-	-	-	-	\$362,257	\$5,903,416
Federal cash in lieu	-	-	-	-	-	-	-	-	-
State	1,234,781	62,474	-	-	23,022	-	-	\$1,320,277	13,516,942
Local	-	-	-	-	-	-	-	-	-
Total Revenues	1,597,038	62,474	-	-	23,022	-	-	1,682,534	19,420,358
EXPENDITURES									
Administration	1,597,038	62,474	-	-	23,022	-	-	1,682,534	1,863,011
Distribution to grantees	-	-	-	-	-	-	-	-	17,557,348
Capital outlay	-	-	-	1,540	-	-	-	1,540	1,540
Total expenditures	1,597,038	62,474	-	1,540	23,022	-	-	1,684,074	19,421,899
Excess (deficiency of revenues over expenditures)	-	-	-	(1,540)	-	-	-	(1,540)	(1,541)
Fund balance, beg. as reported	-	380	191	-	-	-	-	572	572
Restatements:									
Prior-period adjustment	157	-	-	3,414	-	-	-	3,571	3,571
Fund balance, be., as restated	157	380	191	3,414	-	-	-	4,143	4,143
Fund balance, end	157	380	191	1,874	-	-	-	2,803	2,802

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Proprietary Fund
Economic Development Administration RLF (25-601)
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Budgetary Basis	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
REVENUES:				
Bank interest income	\$ 7,000	\$ 2,871	\$ 2,872	\$ 1
Loan interest income	20,000	18,888	17,712	(1,176)
Loan loss recoveries	-	-	1,270	1,270
Prior year cash budgeted	263,258	263,258	-	(263,258)
Total revenues	290,258	285,017	21,854	(263,163)
EXPENDITURES:				
Non-operating transfers out	20,000	11,323	11,323	-
Budgeted reserves	270,258	273,694	-	273,694
Total expenditures	290,258	285,017	11,323	273,694
Excess (deficiency) of revenue and other sources over expenditures and other uses	\$ -	\$ -	\$ 10,531	\$ 10,531
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 25,331	
Adjustments - provision for loan losses			(14,008)	
Budget basis expenditures			\$ 11,323	

STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Proprietary Fund
Tri-County RLF (24-601)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Bank interest income	\$ 3,300	\$ 1,905	\$ 1,905	\$ -
Loan interest income	7,400	2,670	2,670	-
Prior year cash budgeted	<u>182,658</u>	<u>182,658</u>	<u>-</u>	<u>(182,658)</u>
Total revenues	<u>193,358</u>	<u>187,233</u>	<u>4,575</u>	<u>(182,658)</u>
EXPENDITURES:				
Non-operating transfers out	20,000	18,377	18,377	-
Budgeted reserves	<u>173,358</u>	<u>168,856</u>	<u>-</u>	<u>168,856</u>
Total expenditures	<u>193,358</u>	<u>187,233</u>	<u>18,377</u>	<u>168,856</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,802)</u>	<u>\$ (13,802)</u>
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures			\$ 19,952	
Adjustments - provision for loan losses			<u>(1,575)</u>	
Budget basis expenditures			<u>\$ 18,377</u>	

SUPPLEMENTAL INFORMATION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Nick L. Salazar, President
Members of the Board of Directors
North Central New Mexico Economic Development District
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue fund, and the combining and individual funds presented as supplemental information of the State of New Mexico, North Central New Mexico Economic Development District, (District) as of and for the year ended June 30, 2009, and have issued our report thereon dated November 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

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



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and would not necessarily identify all deficiencies in internal control over financial reporting that might be 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 above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 the District's management, others within the District, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
November 20, 2009

ROBERT J. RIVERA, CPA, PC

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Nick L. Salazar, President
Members of the Board of Directors
North Central New Mexico Economic Development District
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

Compliance

We have audited the compliance of the State of New Mexico, North Central New Mexico Economic Development District (District) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The District'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 District's management. Our responsibility is to express an opinion on the District'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 District'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 the District's compliance with those requirements.

In our opinion, the State of New Mexico, North Central New Mexico Economic Development District complied, in all material respects, with the requirements referred to above that are applicable to each of its major programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.



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

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the District's management, others within the District, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.



Robert J. Rivera, CPA, PC
Santa Fe, New Mexico
November 20, 2009

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Schedule of Findings and Questioned Costs (Federal Award Programs)
Year Ended June 30, 2009**

I. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements and the combining and individual fund financial statements of the State of New Mexico, North Central New Mexico Economic Development District.
2. There were no significant deficiencies disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the State of New Mexico, North Central New Mexico Economic Development District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies in internal control over major federal award programs considered to be a material weakness in internal control over major programs disclosed by the audit.
5. The auditor's report on compliance for the major federal award programs for the State of New Mexico, North Central New Mexico Economic Development District expresses an unqualified opinion on all major federal programs.
6. The audit disclosed no audit findings relating to major programs that are required to be reported in accordance with Section 510(a) of OMB Circular A-133..
7. The programs tested as major programs including the following:

CFDA Number

Name of Federal Program

US Department of Commerce -

Special Economic Development and Adjustment Assistance Program:

11.307	Sudden and Severe Economic Dislocation and Long-Term Deterioration - EDA loans
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US Department of Health and Human Services -

New Mexico State Agency on Aging -

93.044	Title III, Part B - Supportive Services and Senior Centers
93.045	Title III, Part C-1 - Nutrition Services
93.045	Title III, Part C-2 - Nutrition Services
93.043	Title III, Part D - Disease Prevention and Health Promotion
93.052	Title III, Part E - National Family Caregiver Support
93.053	Nutrition Services Incentive Program

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The North Central New Mexico Economic Development District qualifies as a low-risk.

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Schedule of Findings and Questioned Costs (Federal Award Programs)
Year Ended June 30, 2009**

II. FINDINGS - FINDINGS and QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

	<u>Questioned Costs</u>
None	None

III. STATUS OF PRIOR AUDIT FINDINGS and QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

<u>Finding</u>	<u>Current Status</u>
None	None

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
Schedule of Findings and Responses (Pertaining to Financial Statements)
Year Ended June 30, 2009**

1. PRIOR-YEAR AUDIT FINDINGS

None

**2. CURRENT-YEAR FINDINGS AND RESPONSES PERTAINING TO THE FINANCIAL STATEMENTS
WHICH ARE REQUIRED TO BE REPORTED**

None

**STATE OF NEW MEXICO
NORTH CENTRAL NEW MEXICO ECONOMIC DEVELOPMENT DISTRICT
June 30, 2009**

Financial Statement Preparation

The financial statements were prepared by the independent certified public accountant performing the audit with the assistance of the District. Management is responsible for ensuring that the books and records adequately support the preparation of financial statements in accordance with generally accepted accounting principles and that records are current and in balance. Management has reviewed and approved the financial statements.

Exit Conference

An exit conference was held on December 9, 2009, to discuss the audit. The following individuals were in attendance:

State of New Mexico - North Central New Mexico Economic Development District

Nick J. Vigil, Board Treasurer
Barbara Deaux, Executive Director
Fred Lopez, Contract Accountant

Audit Firm - Robert J. Rivera, CPA, PC

Robert J. Rivera, CPA

