



NEW MEXICO JUDICIARY

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
FINANCIAL STATEMENTS
JUNE 30, 2010

PREPARED BY: CFO, ADMINISTRATIVE OFFICE OF THE COURTS

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**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS**

Official Roster

June 30, 2010

ADMINISTRATIVE OFFICIALS

Name	Title
Honorable Charles W. Daniels	Chairperson
Arthur W. Pepin	Director
Patrick J. Simpson	Deputy Director
Oscar J. Arevalo	Director of Fiscal Services
Lorri A. Hatcher	Director of Human Resources
Karen Janes	Director of Magistrate Courts
Steve Prisoc	Director of Judicial Information
Louise Baca-Sena	Director of Special Court Services

Independent Auditors' Report

Honorable Charles W. Daniels, Chairperson
New Mexico Supreme Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and major special revenue funds, and the aggregate remaining fund information of the State of New Mexico, Administrative Office of the Courts (AOC), as of and for the year ended June 30, 2010, which collectively comprise the AOC's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the AOCs' non major governmental and fiduciary funds, the respective budgetary comparisons, and the budgetary comparison of the major capital project fund presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of AOCs' 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 expressing an opinion on the AOC's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

As discussed in Note 1, the financial statements of the AOC are intended to present the financial position and changes in financial position of only that portion of the governmental activities, major funds and aggregate remaining fund information of the State of New Mexico that is attributable to the transactions of the AOC. They do not

Honorable Charles W. Daniels, Chairperson
New Mexico Supreme Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

purport to, and do not present fairly the financial position of the State of New Mexico as of June 30, 2010, and the changes in its financial position, and budgetary comparisons, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the AOC as of June 30, 2010, and the respective changes in financial position, thereof, and the budgetary comparison for the general fund and major special revenue funds 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 and fiduciary fund of the AOC, as of June 30, 2010, and the respective changes in the financial position thereof and the respective budgetary comparisons of each of the nonmajor special revenue funds and the major capital projects fund, 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 January 26, 2011, on our consideration of the AOC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily 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.

Honorable Charles W. Daniels, Chairperson
New Mexico Supreme Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise AOC's basic financial statements, and the combining and individual fund financial statements and budgetary comparisons presented as supplemental information. The accompanying Schedule of Cash Accounts listed in the table of contents as supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis required by US Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Not-for-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to each of the respective individual funds taken as a whole.

Mess Adams LLP

Albuquerque, New Mexico
January 26, 2011

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010**

MISSION STATEMENT

The mission of the Administrative Office of the Courts (AOC) is to provide access to justice; assist courts to resolve disputes justly and timely; and maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the Constitution of New Mexico and the United States.

Strategic Plan Goals

- To improve case flow management to provide timely and fair proceedings;
- Provide training to enhance the skills of judges and court staff;
- Provide reasonable and affordable access to justice in safe and adequate facilities;
- To obtain adequate funding and resources for court operations; and
- To obtain and use technology to collect, process, and share information needed to process cases and manage resources.

The AOC participates in the State of New Mexico's Accountability in Government Act. The AOC has four programs within its budget: Administrative Support, Statewide Judiciary Automation, Magistrate Courts, and Special Court Services. Each program has activities within their respective programs. Below is a brief description of each activity.

Administrative Support Program:

AOC administration – Provide basic administrative support for all judicial units.

Judicial Performance Evaluation – Appointed commission members vested with the responsibility of evaluating judges who stand for retention and publish and distribute the evaluation results.

Court Improvement Project – Provide a comprehensive effort to improve judicial proceedings related to child abuse and neglect, foster care and adoption, including improving outcomes for Native American children by improving Tribal State relationships. The project also sponsors the annual Cross-Court Cultural Exchange.

Jury and Witness – This activity pays for jurors, interpreters, and witness expenses involved with jury trials. This fund is also used to pay for interpreter certification workshop instructors.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2010**

Federal Grants Administration – The AOC administered 17 grants throughout FY2010 which include the following: (2) U.S. Department of Justice Awards of which one was a Congressionally Mandated Award for Drug Courts; U.S. Department of Transportation, (2) pass-through from the State of New Mexico Department of Transportation, Drug Court Expansion and AOC DWI Courts; U. S. Department of Health and Human Services, (4) State Court Improvement Program basic initiatives, (2) Court Improvement Data Sharing Program, (3) Court Improvement Training Program, and (1) pass-through from the State of New Mexico Department of Children, Youth and Families, Mediation Services and; State Justice Institute, (2) Interpreter Resource Partnership; and (1) America Recovery and Reinvestment through the NM Department of Public Safety.

Statewide Judiciary Automation Program:

Judicial Information administration – Provide basic information technology support for all judicial units statewide.

Supreme Court automation – Provide maintenance and operations support for the statewide court case management system.

Municipal Court Automation – Assist with purchasing, implementing and maintaining court automation systems for participating municipalities.

Magistrate Court Program:

Magistrate Court General – Support basic operations and administration of the statewide magistrate court system.

Warrant Enforcement – Provide support to the Magistrate Courts by employment of personnel and purchase of equipment and services to aid in the collection of fines, fees, and costs owed to the Magistrate Courts.

Mediation – Administer voluntary civil mediation programs in the Magistrate Courts.

Drug Courts – Support drug courts as an alternative to incarceration.

Video Arraignment, Security and Facilities – Equipping, securing and leasing of magistrate facilities. The funding comes from legislative appropriations to use bond rebate transfers from the New Mexico Finance Authority of annual cash balances remaining after debt service principal and interest payments are made to the Metropolitan Courthouse and parking structure bonds.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2010**

Special Court Services Program:

Court Appointed Special Advocate (CASA) – Support effective volunteer advocacy for the best interest of abused and neglected children involved in the court system. The majority of these funds are transferred to district courts around the state.

Supervised Visitation and Children's Court Mediation – Provide support to ensure the child's safety in maintaining a relationship with both parents, shorten the period of trauma and disruption in the child's life by limiting requests for changes in court orders and visitation that lengthen the duration of the case, and protect the child and non-offending parent from further acts of child abuse, violence and dysfunction. These funds are transferred to district courts around the state.

Court Appointed Attorney - Provide legal representation to clients, treatment guardians and to appoint special commissioners. These funds are paid to attorneys by the AOC on behalf of district courts statewide.

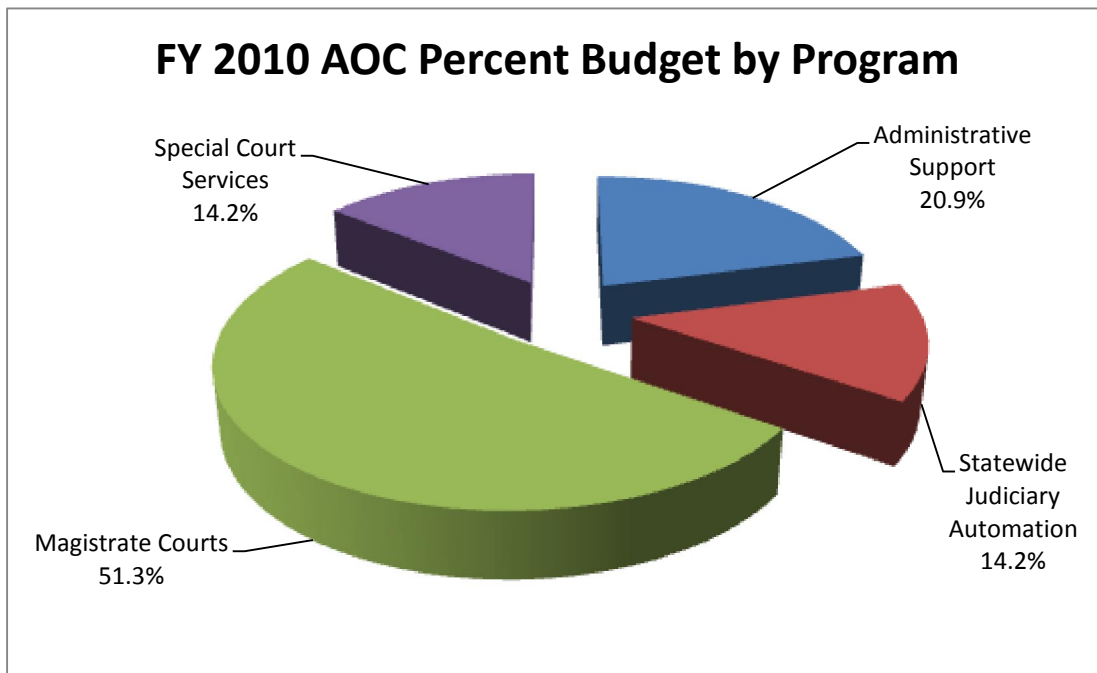
Water Rights Adjudication – Provide staff and judges pro tempore to aid with the stream adjudication cases in the 3rd, 11th and 5th Judicial District Courts. A portion of general funds is transferred to the district courts listed. Additional funding also comes from the Water Project Fund created under the Laws of 2001, Chapter 164, Section 9 at the New Mexico Finance Authority for the purpose of supporting water projects pursuant to provisions of the Water Project Finance Act. As a result of this act twenty percent of the money dedicated for water rights adjudications is allocated to AOC for the costs associated with those adjudications. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund.

Judges Pro Tempore - Pays for the costs associated with the hiring of retired judges and justices who are appointed by the Chief Justice of the Supreme Court to serve as a district judge pro-temp.

Access to Justice - The Access to Justice Commission created by the New Mexico Supreme Court makes the courts more accessible to low-income persons with civil legal needs in areas such as family law, domestic violence, housing, consumer, employment, government benefits and other non-criminal legal matters.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2010**

Court Reporters - Pays for the costs associated with transcribing first-degree murder cases for the Supreme Court.



HIGHLIGHTS

Financial Highlights:

- The General Fund Budget decrease for FY2010 was a total of 4.0%. This was attributed to continued statewide general fund revenue decline as a result of the national and state economic downturn.
- During the 2009 Legislative special session the AOC's FY2010 General Fund appropriation was reduced by 2.0% because of revenue shortfalls for the State. The national financial market decline severely impacted State revenues. In addition to this reduction, the AOC also agreed to reduce fund balances in the Magistrate Court Mediation and Water Rights Adjudication funds totaling \$600,000 to be applied toward the statewide general fund deficit. The AOC also sought and received a New Mexico Board of Finance loan of \$250,000 to pay jurors, interpreters and witnesses.
- Federal revenue to the AOC increased by 17.9% to \$1,296,985 in FY2010 as compared to \$1,083,484 in FY2009 mainly attributable to an increase in congressionally mandated awards.
- Overall revenue decreased by 11.9% in FY2010 as compared to FY2009.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2010**

OVERVIEW OF THE FINANCIAL STATEMENTS

Government-Wide Financial Statements (Statement of Net Assets and Statement of Activities)

Government-Wide financial statements report information about the Administrative Office of the Courts (AOC) as a whole using accounting methods similar to those used by private-sector companies. All governmental activities are consolidated into one column. The AOC has no business type activities. The Statement of Net Assets includes all of the government 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 Governmental Activities reflect the AOC's basic services, including the Administrative Support Program, Statewide Judiciary Automation Program, Magistrate Court Program, and Special Court Services Program.

Fund Financial Statements (Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance)

The fund financial statements provide more detailed information about the AOC's significant funds. Funds are accounting devices that the AOC uses to keep track of specific sources of funding and spending or transfer for particular purposes.

The AOC primarily operates on its State General Fund appropriations, other fees collected by the courts, federal awards and a budget, all of which are approved by the State Legislature each year.

The fund financial statements also allow the government to address its Agency Funds. While these funds represent trust responsibilities of government, these assets are restricted in purpose and do not represent discretionary assets of government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

Budgetary Comparisons

GASB 34 requires budgetary comparison schedules for general fund and for each major special revenue fund that has a legally adopted annual budget to be presented. 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 government's budgetary basis.

As required by the Office of the State Auditor under 2 NMAC 2.2, the Statement of Revenues and Expenditures (Budget and Actual) are also presented. The information is provided at the approved budget level to demonstrate compliance with legal requirements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2010**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	<u>June 30</u>	
	<u>2010</u>	<u>2009</u>
<u>Statement of Net Assets</u>		
<u>Government Activities</u>		
Current and other assets	<u>\$ 12,500,832</u>	15,877,200
Current liabilities	<u>4,858,158</u>	5,938,245
Net assets		
Restricted for capital projects	-	3,515
Unrestricted	<u>7,642,674</u>	9,935,440
Total net assets	<u>\$ 7,642,674</u>	<u>9,938,955</u>

For more detailed information see the Statement of Activities.

The change to assets, liabilities and net assets compared to the prior year are attributable primarily to a decrease in general fund appropriations and fund balances from prior year's data processing and capital outlay appropriations.

Statement of Activities

The following schedule represents the revenues and expenses for the years ending June 30:

	<u>Government Activities</u>	
	<u>2010</u>	<u>2009</u>
<u>General Revenues</u>		
State General Fund appropriations	<u>\$ 41,750,800</u>	43,468,200
Special appropriations	-	2,000,000
Transfers from other agencies	<u>1,352,667</u>	5,367,350
Bond proceeds appropriations	<u>433,333</u>	268,729
Transfers from other governments	<u>1,500,000</u>	-
Reversions to the State General Fund	<u>(149,857)</u>	(218,258)
	<u>44,886,943</u>	<u>50,886,021</u>
<u>Program Revenues</u>		
Charges for services	<u>11,258,113</u>	8,545,459
Operating grants	<u>1,298,617</u>	1,084,618
	<u>12,556,730</u>	<u>9,630,077</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2010**

	<u>Government Activities</u>	
	<u>2010</u>	<u>2009</u>
<u>Program Expenses</u>		
Judicial services	\$ 58,442,968	62,668,140
Operating grants	<u>1,296,986</u>	<u>1,083,484</u>
	<u>59,739,954</u>	<u>63,751,624</u>
Change in net assets	(2,296,281)	(3,235,526)
Net assets, beginning	<u>9,938,955</u>	<u>13,174,481</u>
	<u>\$ 7,642,674</u>	<u>9,938,955</u>

The FY2010 final approved operating budget for the AOC was a 5.4% decrease over FY2009 adjusted. The decrease was primarily attributable to general fund reductions as part of the statewide solvency initiative by the Legislature and the Executive to control spending in order to meet declining state revenue.

General Fund Budgetary Highlights

The State Legislature makes annual appropriations to the AOC. Amendments to the budget require approval by the Budget Division of the Department of Financial and Administration (DFA). Over the course of the year, the AOC revised its budget several times. These budget amendments fall into three categories:

- Increases from federal awards unknown at the time of original budget submission;
- Increases or reallocations of appropriations to prevent budget overruns; and
- Decreases to general fund revenue and budget due to State solvency legislation.

ANTICIPATED CHANGES

Fund Financial Statements

There are no fund balances for the General Fund and other reverting funds at the beginning or end of the year as any excess funds were reverted. Most special revenue funds fund balances did not change significantly as they are budgeted to operate at about break even. The exception to this was the Magistrate Mediation fund and the Water Rights Adjudication fund of which \$100,000 and \$500,000 were transferred, respectively, to the Department of Finance and Administration as part of the FY 2010 statewide revenue solvency legislation. The jury and witness fee fund, which exceeded expenditures initially budgeted in FY 2010, ended the year with a small balance due in part to a \$250,000 Board of Finance loan, and increases in the cost of jury demand fees in FY 2010 to offset the increased expenditures. Those increased expenditures were due to the increasing of juror pay to \$7.50 per hour. The statewide AOC automation bond fund had a net decrease in

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
June 30, 2010**

fund balance of \$4,607,055 due to increased expenditures of one-time data processing appropriations that ended on June 30, 2010. All of the fund balance at year-end is set aside for the purpose of the particular fund and may be expended in future years.

The AOC does anticipate a decrease in its revenue in FY 2011. The further deterioration of the national economy is having a significant impact to State general revenue. AOC began FY 2010 with recurring General Fund revenue of \$42,504,900. This recurring revenue was decreased during FY 2010 by 2.0% (\$850,100). During the FY 2010 Legislative Session, which sets the operating budget for FY 2011, the AOC's recurring General Fund appropriations were reduced to \$40,658,200-a total decrease of \$996,300 (-2.5%) from FY 2010 adjusted recurring General Fund appropriation. AOC anticipates additional recurring General Fund reductions in FY 2011.

Other revenue, other than the general fund, used for operations by the AOC is comprised of fees collected by the courts. In the past few fiscal years overall court case filings have remained flat. Therefore, the revenue generated from fee collections are expected to remain flat. To assist with shortfalls in the Jury and Witness fund, the Legislature passed an increase to the penalty assessment misdemeanor fees of \$5.00 per citation. This fee increase generated approximately \$1,150,000 in revenue for the Jury and Witness fee fund.

The State Legislature appropriated an adjusted \$41,654,500 of general funds to the AOC for FY2010 operating budget, which is a 5.1% decrease over the original FY 2009 general fund appropriation. At the publishing of this report, the AOC's FY 2011 general fund budget was further reduced by 3.2% as a result of further deterioration of the national and state economy which is having a significant impact to State general revenue.

FINANCIAL CONTACT

The AOC's financial statement is designed to present users with the general overview of the AOC's finances and to demonstrate the AOC's accountability. If you have any questions about the report or need additional information, contact the AOC's Director of Fiscal Services in room 28 of the Supreme Court Building, 237 Don Gaspar, Santa Fe, New Mexico 87501.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF NET ASSETS
June 30, 2010**

	Governmental Activities
ASSETS	
Interest in SGFIP	\$ 11,469,715
Other Cash	6,361
Due from other state agencies	298,196
Federal grant receivables	279,607
Fines and fees receivable	401,105
Due from other funds	45,848
Total assets	<u>12,500,832</u>
LIABILITIES	
Deficit cash balance	293,397
Accounts payable	1,830,759
Payroll Benefits Payable	436,151
Payroll Taxes Payable	257,643
Accrued Payroll	649,883
Other Liabilities	6,708
Due to State General Fund	54,342
Due to other funds	45,849
Compensated Absences	1,283,426
Total liabilities	<u>4,858,158</u>
NET ASSETS	
Unrestricted	<u>7,642,674</u>
Total net assets	<u>\$ 7,642,674</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF ACTIVITIES
June 30, 2010**

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants	Governmental Activities	
Governmental Activities					
General Operations	\$ 40,089,044	329,829	-	(39,759,215)	
Jury and Witness Program	4,959,100	-	-	(4,959,100)	
Court Appointed Attorney Program	4,569,941	-	-	(4,569,941)	
Court Automation Fees	4,546,370	5,845,530	-	1,299,160	
Bench Warrant Fees	2,587,483	3,046,421	-	458,938	
Magistrate Mediation Fees	29,632	111,661	-	82,029	
Jury Demand Fees	1,570,774	1,829,057	-	258,283	
Miscellaneous Reimbursements	90,625	95,615	-	4,990	
Drug Courts	641,290	-	642,922	1,632	
Court Improvement Program	384,469	-	384,469	-	
Children's Mediation	156,904	-	156,904	-	
Access to Justice	-	-	-	-	
Interpreter Resources Partnership	76,242	-	76,242	-	
American Recovery and Reinvestment Act	38,080	-	38,080	-	
	Total governmental activities	59,739,954	11,258,113	1,298,617	(47,183,224)
General Revenues					
General Fund appropriation				\$ 41,750,800	
Transfers from Other Agencies				1,352,667	
Bond Proceeds appropriations				433,333	
Transfer from other governments				1,500,000	
Reversion to State General Fund				(149,857)	
				Total general revenues	
				44,886,943	
Changes in net assets				(2,296,281)	
Net assets, beginning				9,938,955	
Net assets, ending				\$ 7,642,674	

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010**

	General 13900	JID Supreme Court Automation 01100	Jury and Witness Fees 01200	Court Appointed Attorney 12400	JID Statewide Automated Bond 27300
ASSETS					
Current Assets					
Interest in SGFIP	\$ 309,427	2,641,312	561,295	429,168	1,768,884
Other Cash	6,361	-	-	-	-
Due from other state agencies	-	-	-	-	-
Federal grant receivables	-	-	-	-	-
Fines and fees receivable	-	129,055	-	-	-
Due from other funds	12,328	100	6,525	-	-
Total assets	\$ 328,116	2,770,467	567,820	429,168	1,768,884
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Deficit cash balance	\$ -	-	-	-	-
Accounts payable	166,515	108,264	135,024	424,982	542,726
Payroll Benefits Payable	46,545	10,280	5,032	(965)	-
Payroll Taxes Payable	28,161	8,215	4,047	(746)	-
Accrued Payroll	70,859	19,476	3,621	1,979	-
Other Liabilities	-	-	1,965	-	-
Deferred revenue	-	129,055	-	-	-
Receipts held in suspense	-	-	(183)	-	-
Due to State General Fund	9,511	-	-	59	7,261
Due to other state agencies	-	-	-	-	-
Due to other funds	6,525	109	-	3,859	-
State Dated Wts. - Due To SGF	-	-	1,716	-	-
Total liabilities	328,116	275,399	151,222	429,168	549,987
FUND BALANCES					
Unreserved and reported in capital projects fund	-	-	-	-	-
Unreserved and reported in special revenue fund	-	2,495,068	416,598	-	1,218,897
Total fund balances	-	2,495,068	416,598	-	1,218,897
Total liabilities and fund balances	\$ 328,116	2,770,467	567,820	429,168	1,768,884

See Notes to Financial Statements.

Statewide Drug Court Technology 44300	Magistrate Court Warrant Enforcement 57500	Magistrate Court 69200	Non-Major Governmental Funds	Total Governmental Funds
\$ -	1,258,528	913,429	3,587,672	11,469,715
-	-	-	-	6,361
172,079	-	-	126,117	298,196
-	-	-	279,607	279,607
-	272,050	-	-	401,105
-	4,479	10,894	11,522	45,848
<u>\$ 172,079</u>	<u>1,535,057</u>	<u>924,323</u>	<u>4,004,918</u>	<u>12,500,832</u>
\$ 38,684	-	-	254,713	293,397
133,394	30,761	61,178	227,915	1,830,759
-	43,613	269,127	62,519	436,151
-	16,184	163,154	38,628	257,643
-	50,992	403,458	99,498	649,883
-	-	-	-	1,965
-	272,050	-	-	401,105
-	-	1,918	-	1,735
1	-	9,596	27,914	54,342
-	63	-	1,224	1,287
-	10,894	15,892	8,570	45,849
-	5	-	-	1,721
<u>172,079</u>	<u>424,562</u>	<u>924,323</u>	<u>720,981</u>	<u>3,975,837</u>
-	-	-	-	-
-	1,110,495	-	3,283,937	8,524,995
-	1,110,495	-	3,283,937	8,524,995
<u>\$ 172,079</u>	<u>1,535,057</u>	<u>924,323</u>	<u>4,004,918</u>	<u>12,500,832</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
Year Ended June 30, 2010**

Fund balances - total governmental funds	\$ 8,524,995
Amounts reported for governmental activities in the Statement of Net Assets are different because	
Revenue in the fund financial statements not collected during the period of availability and therefore deferred	401,105
Compensated absences	<u>(1,283,426)</u>
Net Assets of Governmental Activities	<u><u>\$ 7,642,674</u></u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
June 30, 2010**

	General 13900	JID Supreme Court Automation 01100	Jury and Witness Fees 01200
REVENUES			
Charges for services	\$ 4,990	4,901,763	1,829,057
Grants	-	-	-
Total revenues	4,990	4,901,763	1,829,057
EXPENDITURES			
Expenditures			
Personal services	2,275,774	1,366,001	107,826
Employee benefits	762,026	463,821	40,071
In-state travel	16,989	36,949	1,424
Maintenance and repairs	1,600	38,210	-
Supplies	20,614	225,695	1,613
Contractual services	1,291,280	483,754	137,590
Operating costs	119,521	928,707	2,277,297
Other costs	5,645	2,045	3,964,053
Out-of-state travel	4,214	5,591	-
Capital outlay	-	41,454	-
Total expenditures	4,497,663	3,592,227	6,529,874
Excess (deficiency) of revenues over expenditures	(4,492,673)	1,309,536	(4,700,817)
OTHER FINANCING SOURCES AND (USES)			
General fund appropriations	5,851,300	-	4,805,400
Transfers from other agencies	50,000	-	250,000
Bond proceeds appropriations	-	-	-
Transfers to other agencies	(1,399,900)	-	-
Transfer from other governments	-	-	-
Reversions	(8,727)	-	(96,300)
Total other financing sources and (uses)	4,492,673	-	4,959,100
Net change in fund balances	-	1,309,536	258,283
Fund balances, beginning	-	1,185,532	158,315
Fund balances, ending	\$ -	2,495,068	416,598

See Notes to Financial Statements.

Court Appointed Attorney 12400	JID Statewide Automated Bond 27300	Statewide Judiciary Capital Outlay 44300	Magistrate Court Warrant Enforcement 57500	Magistrate Court 69200	Non-Major Governmental Funds	Total Governmental Funds
\$ -	-	-	3,046,421	90,625	1,385,257	11,258,113
-	-	-	-	-	1,298,617	1,298,617
-	-	-	3,046,421	90,625	2,683,874	12,556,730
66,369	-	-	1,576,427	12,381,772	2,411,078	20,185,247
21,024	-	-	810,366	4,481,105	823,379	7,401,792
-	77,867	-	23,310	116,482	42,877	315,898
-	64,662	260,793	1,038	97,064	16,921	480,288
-	415,621	55,871	26,866	233,302	76,557	1,056,139
4,477,829	1,724,813	-	13,805	96,606	1,682,652	9,908,329
-	9,368	4,068	85,731	5,972,136	1,434,296	10,831,124
4,719	35	-	48,352	4,748	807,246	4,836,843
-	-	-	1,588	1,122	20,869	33,384
-	2,307,428	116,115	-	16,492	44,281	2,525,770
4,569,941	4,599,794	436,847	2,587,483	23,400,829	7,360,156	57,574,814
(4,569,941)	(4,599,794)	(436,847)	458,938	(23,310,204)	(4,676,282)	(45,018,084)
4,570,000	-	-	-	23,319,800	3,204,300	41,750,800
-	-	-	-	-	1,052,667	1,352,667
-	-	433,333	-	-	-	433,333
-	-	-	-	-	(800,000)	(2,199,900)
-	-	-	-	-	1,500,000	1,500,000
(59)	(7,261)	(1)	-	(9,596)	(27,913)	(149,857)
4,569,941	(7,261)	433,332	-	23,310,204	4,929,054	42,687,043
-	(4,607,055)	(3,515)	458,938	-	252,772	(2,331,041)
-	5,825,952	3,515	651,557	-	3,031,165	10,856,036
\$ -	1,218,897	-	1,110,495	-	3,283,937	8,524,995

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
Year Ended June 30, 2010**

Net change in fund balances - total governmental funds	\$ (2,331,041)
Amounts reported for governmental activities in the Statement of Activities are different because of	
Change in deferred revenue	83,027
Change in compensated absences	<u>(48,267)</u>
Change in net assets of governmental activities	<u><u>\$ (2,296,281)</u></u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAJOR BUDGETED FUNDS
General Fund (13900)
Year Ended June 30, 2010**

	General Fund (13900)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	\$ 5,933,400	5,851,300	5,851,300	-
Other financing sources	50,000	50,000	50,000	-
Cash rebudgeted	-	-	-	-
Reversion	-	-	(8,727)	(8,727)
Miscellaneous revenues	-	-	4,990	4,990
Total revenues	5,983,400	5,901,300	5,897,563	(3,737)
Expenditures - All Organizations				
Personal services	2,860,400	3,037,800	3,037,800	-
Contractual services	1,359,800	1,293,100	1,291,280	1,820
Other costs	274,900	170,500	168,583	1,917
Other financing uses	1,488,300	1,399,900	1,399,900	-
Total expenditures	5,983,400	5,901,300	5,897,563	3,737
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	-	-

See Notes to Financial Statements.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAJOR BUDGETED FUNDS (CONTINUED)
JID Supreme Court Automation Fund (01100)
Year Ended June 30, 2010

	JID Supreme Court Automation Fund (01100)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	\$ -	-	-	-
Reversions	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenues	3,500,000	4,395,000	4,901,763	506,763
Total revenues	<u>3,500,000</u>	<u>4,395,000</u>	<u>4,901,763</u>	<u>506,763</u>
Expenditures				
Personal services	1,446,400	1,896,400	1,829,822	66,578
Contractual services	745,800	868,210	483,754	384,456
Other costs	1,977,400	2,299,990	1,278,651	1,021,339
Other financing uses	-	-	-	-
Total expenditures	<u>4,169,600</u>	<u>5,064,600</u>	<u>3,592,227</u>	<u>1,472,373</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(669,600)	(669,600)	<u>1,309,536</u>	<u>1,979,136</u>
Fund balance carryforward	669,600	669,600		
Total	<u>\$ -</u>	<u>-</u>		

See Notes to Financial Statements.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAJOR BUDGETED FUNDS (CONTINUED)
Jury and Witness Fee Fund (01200)
Year Ended June 30, 2010

	Jury and Witness Fee Fund (01200)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	\$ 4,805,400	4,709,100	4,805,400	96,300
Other financing sources	60,000	310,000	250,000	(60,000)
Reversions	-	-	(96,300)	(96,300)
Miscellaneous revenues	525,000	1,573,000	1,829,057	256,057
Total revenues	5,390,400	6,592,100	6,788,157	196,057
Expenditures				
Personal services	141,400	148,000	147,898	102
Contractual services	60,000	177,700	137,590	40,110
Other costs	5,189,000	6,266,400	6,244,386	22,014
Other financing uses	-	-	-	-
Total expenditures	5,390,400	6,592,100	6,529,874	62,226
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	258,283	258,283

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAJOR BUDGETED FUNDS (CONTINUED)
Court Appointed Attorney (12400)
Year Ended June 30, 2010**

	Court Appointed Attorney (12400)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	\$ 4,674,100	4,570,000	4,570,000	-
Reversions	-	-	(59)	(59)
Total Revenues	4,674,100	4,570,000	4,569,941	(59)
Expenditures				
Personal services	-	87,500	87,393	107
Contractual services	4,657,300	4,477,700	4,477,829	(129)
Other costs	16,800	4,800	4,719	81
Other financing uses	-	-	-	-
Total expenditures	4,674,100	4,570,000	4,569,941	59
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	-	-

See Notes to Financial Statements.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAJOR BUDGETED FUNDS (CONTINUED)
JID Statewide Automation (27300)
Year Ended June 30, 2010

	JID Statewide Automation (27300)			Variance Favorable (Unfavorable)
	Original Budget	Approved Revised Budget	Actual	
Revenues				
State General Fund appropriations	\$ -	-	-	-
Reversions		-	(7,261)	(7,261)
Fund balance	4,599,794	4,599,794	-	-
Total revenues	4,599,794	4,599,794	(7,261)	(7,261)
Expenditures				
Personal Services	-	-	-	-
Contractual services	1,724,813	1,724,813	1,724,813	(1,724,813)
Other Costs	2,874,981	2,874,981	2,874,981	(2,874,981)
Other financing uses	-	-	-	-
Total expenditures	4,599,794	4,599,794	4,599,794	(4,599,794)
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	(4,607,055)	(4,607,055)

See Notes to Financial Statements.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAJOR BUDGETED FUNDS (CONTINUED)
Magistrate Court Warrant Enforcement Fund (57500)
Year Ended June 30, 2010

	Magistrate Court Warrant Enforcement Fund (57500)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Miscellaneous revenues	\$ 2,738,600	2,738,600	3,046,421	307,821
Reversions	-	-	-	-
Other financing sources	-	-	-	-
Total revenues	<u>2,738,600</u>	<u>2,738,600</u>	<u>3,046,421</u>	<u>307,821</u>
Expenditures				
Personal Services	2,557,900	2,557,900	2,386,793	171,107
Contractual services	153,000	153,000	13,805	139,195
Other Costs	372,700	372,700	186,885	185,815
Total expenditures	<u>3,083,600</u>	<u>3,083,600</u>	<u>2,587,483</u>	<u>496,117</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(345,000)	(345,000)	<u>458,938</u>	<u>803,938</u>
Fund balance carryforward	<u>345,000</u>	<u>345,000</u>		
Total	<u>\$ -</u>	<u>-</u>		

See Notes to Financial Statements.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MAJOR BUDGETED FUNDS (CONTINUED)
Magistrate Court Fund (69200)
Year Ended June 30, 2010

	Magistrate Court Fund (69200)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Misc Revenue	\$ -	89,377	90,625	1,248
State General Fund appropriations	23,757,500	23,319,800	23,319,800	-
Other financing sources	-	-	-	-
Reversion	-	-	(9,596)	(9,596)
Total revenues	23,757,500	23,409,177	23,400,829	(8,348)
Expenditures				
Personal services	16,644,100	16,862,877	16,862,877	-
Contractual services	115,100	103,700	96,606	7,094
Other costs	6,998,300	6,442,600	6,441,346	1,254
Other financing uses	-	-	-	-
Total expenditures	23,757,500	23,409,177	23,400,829	8,348
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	-	-

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
Year Ended June 30, 2010**

Agency Fund

ASSETS

Cash \$ 7,946,664

Total assets 7,946,664

LIABILITIES

Deposits held for others 3,512,286

Due to other agencies 4,434,378

Total liabilities 7,946,664

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The State of New Mexico Administrative Office of the Courts (AOC) was created by NMSA 1978, Section 34-9-1. The AOC is responsible for planning, organizing, and supervising statewide programs and policy at all levels for the State of New Mexico court system.

As set forth in NMSA 1978, Section 34-9-1, the AOC acts as staff advisor to the administrative operations of all judicial agencies. All phases of state court administration come within the AOCs' purview. Its duties include:

Coordinating, planning, organizing, developing, evaluating, and analyzing court service operations for developing improved managerial procedures and practices for magistrate and district courts statewide.

Budgeting and accounting for the magistrate judges, including internal payroll and procurement, inventory control, and store keeping of the Courts' supplies.

Budgeting for the district courts.

Supervising of the State's fifty magistrate courts.

A. Financial Reporting Entity

In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units in the reporting entity by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Applying this criteria, there are no component units.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

A. Financial Reporting Entity (Continued)

The AOC is legally separate and fiscally independent of other state agencies. Although the agency director serves at the pleasure of the New Mexico Supreme Court, that person has decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The AOC is not included in any other governmental "reporting entity" as defined in Section 2100. *Codification of Governmental Accounting and Financial Reporting Standards*. Included within the reporting entity is the AOC as described above. Other Judicial Branch Entities of government are excluded because they are established separately by statutes.

B. Basic Financial Statements

The basic financial statements include both government-wide (based on the AOC as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. The AOC has no business type activities. In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reflected on the full accrual, economic resources measurement focus, which incorporates long-term assets and receivable as well as long-term liabilities and obligations. The government wide financial statements do not include fiduciary funds or component units.

The AOC has elected not to apply the provisions of relevant pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989.

The government-wide Statement of Activities reflects both the gross and net cost per functional category which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses by related program revenues, operating and contributions and capital grants and contributions. The Administrative Office of the Courts includes only operating grants and contributions. Eliminations are made to remove the "doubling-up" effect of activity between funds. The program revenues must be directly associated with the function and include fees and grants.

The AOC does not employ indirect cost allocation in the financial statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

B. Basic Financial Statements (Continued)

This government-wide focus is more on the sustainability of the AOC as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

As to fund financial statements, emphasis is on the major funds of the governmental category. Non-major funds are summarized into a single column.

The governmental funds in the fund financial statements are presented on a current financial resources measurement focus and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed more appropriate to demonstrate legal and covenant compliance, to demonstrate the source and use of liquid resources and to demonstrate how the AOC's actual experience conforms with 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 governmental column, 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 column of the government-wide presentation.

The AOC's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The focus is on the AOC as a whole and the fund financial statements, including the major individual funds of the governmental category, as well as the fiduciary funds by type.

C. Basis of Presentation

The financial transactions of the AOC are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures or expenses and other financing sources or uses. 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.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

C. Basis of Presentation (Continued)

The new model sets forth the minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category or the governmental and enterprise combines) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The following fund types are used by the AOC:

GOVERNMENTAL FUND TYPES

All governmental fund types are accounted for on a spending or financial flow measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Due to its spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

General Fund – A general operating fund used to account for all financial resources traditionally associated with governments which are not required to be accounted for in another fund. The AOC was created by Section 34-9-1 NMSA 1978.

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 AOC major special revenue funds are as follows:

Fund 01100 - JID Supreme Court Automation - Is used to pay maintenance and operating costs associated with implementation of a statewide court automation system. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund.

Fund 01200 - Jury and Witness Fees - Authorized annually by the General Appropriations Act (Chapter 355, Laws of 1987) to account for the payment of witness and jury expenses (generally travel, per diem and hourly stipends) for the Bernalillo County Metropolitan Court, thirteen district courts and fifty-five magistrate courts. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

C. Basis of Presentation (Continued)

Fund 12400 - Court Appointed Attorney - Established by the Mental Health, Developmental and Disabilities Code Laws of 1977, Chapter 279, Section 1 and amended by Laws 1989, Chapter 128, Section 2, to provide legal representation to clients, to provide treatment guardians and to appoint special commissioners. Funding is provided by State General Fund appropriations. Any balance remaining in this fund at the end of the fiscal year reverts to the State General Fund.

Fund 57500 - Magistrate Court Warrant Enforcement - Created under Section 35-6-5 NMSA, and is funded by bench warrant fees assessed against individuals at the Magistrate Court level. The primary purpose of this fund is for the employment of personnel and purchase of equipment and services to aid in the collection of fines, fees, or costs owed to the Magistrate Courts. After satisfaction of the primary purpose, any remaining funds, to the extent deemed necessary by the Director, AOC, are to be used to partially reimburse law enforcement agencies for the expense of serving bench warrants issued by the magistrate courts, pursuant to an intergovernmental agreement between the law enforcement agency and the AOC. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund. This fund does not meet the criteria for a major fund; however, management has determined to present this fund with the major funds to maintain consistency as this fund has been presented as a major fund in the past.

Fund 69200 – Magistrate Courts – Created by Laws of 2003, Chapter 76, Section 4, to provide access to justice, to resolve disputes justly and timely and to maintain accurate records of legal proceedings that affect rights and legal status in order to independently protect the rights and liberties guaranteed by the constitutions of New Mexico and the United States. Any balance remaining at the end of the fiscal year reverts to the State General Fund.

Fund 27300 - JID Statewide Automation Bond - Created by Section 34-9-10 NMSA 1987. All balances in the fund are appropriated and may be expended for service contracts related to court automation systems or for the purchase, lease-purchase, financing, refinancing and maintenance of court automation systems and equipment in the judiciary. The New Mexico Finance Authority may pledge irrevocably all distributions to the Authority from the Court Automation Fund for the payment of the principal, interest and other expenses or obligations related to the bonds issued by the Authority for financing court automation systems. Any unexpended State General Fund appropriations at

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

C. Basis of Presentation (Continued)

the end of the fiscal year revert to the State General Fund. Unspent revenues from other sources do not revert, accordingly an ending fund balance is shown for this fund.

The AOC has the following non-major special revenue funds:

Fund 11120 – Magistrate Court Operations - Created under Laws of 2010, Chapter 7, Section 1, subject to appropriation by the legislature for the operations of magistrate courts. The fund consists of magistrate courts operations fees collected pursuant to Section 66-8-116.3 NMSA 1978 and any appropriations, gifts, grants and donations. for securing equipment and studying costs and benefits of leasing and purchasing magistrate court facilities. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund.

Fund 11600 - Magistrate Drug Court - To account for the Magistrate Drug Court expenditures and revenues received as a result of fees collected from participants in the program and fees transferred to the AOC pursuant to NMSA Section 3-18-17. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund.

Fund 12600 - Municipal Court Automation - Created by Section 34-9-12 NMSA 1987. All balances in the municipal court automation fund may be expended only upon application by a municipality to the AOC for the purpose of purchasing and maintaining a court automation system in that municipality's courts. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund.

Fund 13600 - Judges Pro-Temp - Established in July 1979 to pay the cost of hiring retired judges and justices who are appointed by the Chief Justice of the Supreme Court to serve as a district judge pro-temp, pursuant to the provisions of Article 6, Section 15 of the Constitution of New Mexico. Any balance remaining in this fund at the end of the fiscal year reverts to the State General Fund.

Fund 30400 – Magistrate Court Mediation - All balances in the fund are subject to appropriation for payment to magistrate courts for the purpose of funding and administering voluntary mediation programs. The mediation programs shall be established by Supreme Court rule for the efficient disposition of civil complaints. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

C. Basis of Presentation (Continued)

Fund 49500 - AOC Grant - Created internally to account for various federal grants received by the AOC. The grants are restricted to specific purposes as agreed to between the Agency and the grantors as enumerated in the grant agreements. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund as the fund receives no State General Fund appropriations.

Fund 49600 - Magistrate Security & Facilities - Created under Laws of 2000, Chapter 5, Section 6 for securing equipment and studying costs and benefits of leasing and purchasing magistrate court facilities. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund.

Fund 51200 – Special Water Rights Adjudication – The Water Project Fund was created under the Laws of 2001, Chapter 164, Section 9 at the New Mexico Finance Authority for the purpose of supporting water projects pursuant to provisions of the Water Project Finance Act. As a result of this act twenty percent of the money dedicated for water rights adjudications is allocated to AOC for the costs associated with those adjudications. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund.

Fund 68900 – Judicial Information Division - Created by a joint powers agreement between the New Mexico Supreme Court and the State of New Mexico AOC to provide for the cost of personnel for the Supreme Court statewide automation project and related costs. Any balance remaining in this fund at the end of the fiscal year reverts to the State General Fund.

Fund 58300 – AOC-JID Non-Grant Projects - Created to account for various projects related to the statewide information technology strategic plan. Any balances remaining in this fund at the end of the fiscal year revert to the State General Fund.

Fund 89000 – ARRA Fund - Created to account for funds received from the American Recovery and Re-investment Act. The grants are restricted to specific purposes as agreed to between the Agency and the grantors as enumerated in the grant agreements. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund as the fund receives no State General Fund appropriations.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

C. Basis of Presentation (Continued)

Capital Project Funds. Capital Project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Capital project funding is comprised of bond proceeds, and other funding specified for capital projects. Severance Tax Bond proceeds were allocated to the AOC by the Legislature in the amount of \$2,000,000, in fiscal year 2007, for equipment for interpreters and jurors for jury and witness program; security, recording and filing equipment for magistrate courts; and furniture, security equipment, a vehicle and other courtroom equipment for district courts statewide. In addition, the AOC received \$1,000,000 for assistive listening devices and security related equipment for Magistrate Courts statewide. The AOC is not obligated in any manner for the related indebtedness. These proceeds are available for use through fiscal year 2011 at which time any unexpended balance shall revert to the severance tax bonding fund. At June 30, 2010, unexpended balances of \$921,493 remained.

Fund 44300 – Statewide Drug Court Technology – Initially created to standardize equipment and software statewide necessary to consistently track and report Drug Court client information. Most recently this fund is used to record multi-year judiciary capital outlay appropriations. All balances remaining in this fund at the end of the designated fiscal year reverts to the State General Fund or appropriate fund. This fund does not meet the criteria for a major fund; however, management has determined to present this fund with the major funds to maintain consistency as this fund has been presented as a major fund in the past.

FIDUCIARY FUND TYPES

Fiduciary fund types include trust and agency funds, which are used to account for assets held by the AOC in the capacity of trustee or agent.

Agency Funds. Agency funds are used to account for assets held as an agent for other governmental units, individuals and other funds. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Litigant Fund – Used to record posted bonds which are held for the person posting the bond until either forfeited or returned. Forfeited bonds are converted to the extent of fines and fees.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

C. Basis of Presentation (Continued)

Fines and Fees Fund- Used to record the collection of allowable Magistrate Court costs and fees and disbursements to the beneficiaries as follows:

Description	Amount	Beneficiary
Criminal docket fees	<u>\$ 20.00</u>	Fund 53200-Court Facilities
Civil docket fees	\$ 25.00	Fund 12200-Judges Retirement Fund
	12.00	Fund 53200-Court Facilities Fund
	20.00	Fund 07800-Court Automation Fund
	15.00	Fund 60000-Civil Legal Service Fund
	<u>5.00</u>	Fund 30400-Magistrate Court Mediation Fund
	<u>\$ 77.00</u>	
Jury fees	\$ 15.00	Fund 53200-Court Facilities Fund
	<u>10.00</u>	Fund 12200-Judges Retirement Fund
	<u>\$ 25.00</u>	
Bench warrant fee	<u>\$ 100.00</u>	Fund 57600-Magistrate Enforcement Fund
Interest income	Various	Fund 79400-Magistrate Penalty Assessment Fund
Fines and forfeitures	Various	Fund 71700-State Public School Fund
Copying fees – each	0.50	Fund 53200-Court Facilities Fund
Copying fees – electronic	1.00	Fund 07800-Court Automation Fund
Lab tests fees in cases involving DWI:		
DWI lab fee	85.00	Fund 68700-Crime Laboratory Fund
Substance abuse lab fee	75.00	Fund 68700-Crime Laboratory Fund
DWI prevention fee	75.00	Fund 68700-Crime Laboratory Fund

**STATE OF NEW MEXICO
 ADMINISTRATIVE OFFICE OF THE COURTS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 (CONTINUED)**

C. Basis of Presentation (Continued)

Fines and Fees Fund (Continued)

Description	Amount	Beneficiary
Fees relating drug courts:		
Drug Court Fee	\$ 50.00	Fund 11600-Magistrate Drug Court Fund
Fees relating to conviction under provisions of motor vehicle code:		
Corrections fee	\$ 20.00	Fund 68800-Correction Fee Fund
Court automation fee	10.00	Fund 07800-Court Automation Fund
Facilities fee	10.00	Fund 53200-Court Facilities Fund
Traffic safety fee	3.00	Fund 25200-Traffic Safety Fund
Brain injury fee	5.00	Fund 48100-Brain Injury Fee Fund
Jury and Witness fee	5.00	Fund 01200-Jury and witness Fee Fund
Magistrate Court		
Operations fee	5.00	Fund 11120-Mag Court Operations Fee Fund
Judicial education fee	3.00	Fund 57700-Judicial Education Fee Fund
Juvenile Adjudication fee	1.00	Fund 11210-Juvenile Adjudication Fee Fund
Domestic Violence		
Treatment fee	5.00	Fund 51500-Domestic Violence Offender Treatment
	<u>\$ 67.00</u>	

D. Basis of Accounting

All governmental funds utilize the modified accrual basis of accounting. Under this method, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the current fiscal period; available meaning collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period.

Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other state and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

D. Basis of Accounting (Continued)

Expenditures are recorded as liabilities when incurred. An exception to this general rule is that accumulated unpaid annual, compensatory and certain sick leave are not accrued as current liabilities but as non-current liabilities. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

The AOC, records fine and fee revenue when received in its agency funds as estimating amounts due, but not collected, is not feasible. In the entity wide statements, amounts collected in the agency funds are recorded as receivables.

E. Budgets and Budgetary Accounting

The State Legislature makes annual appropriations to the AOC, which lapse at fiscal year-end. Legal compliance is monitored through the establishment of a budget and a financial control system which permits a budget to actual expenditure comparison on the modified accrual basis. Expenditures may not legally exceed appropriations for each budget at the appropriation unit level. Budgeted appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration within the limitations as specified in the General Appropriations Act. The budget amounts shown in the financial statements are the final authorized amounts as legally revised during the year.

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

1. No later than September 1, the AOC submits to the Legislative Finance Committee (LFC), and the Budget Division of the Department of Finance and Administration (DFA), an appropriation request for the fiscal year commencing the following July 1. The appropriation request includes proposed expenditures and the means of financing them.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

E. Budgets and Budgetary Accounting (Continued)

2. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The budget recommendation results of these hearings are incorporated into the State of New Mexico’s General Appropriations Act (GAA).
3. The GAA is then sent to the Governor of the State of New Mexico for signature within the legally prescribed time limit, at which time the approved budget becomes a legally binding document.
4. Not later than May 1, the AOC submits to DFA an annual operating budget by appropriation unit and object code based upon the appropriation made by the Legislature. The DFA-Budget Division reviews and approves the submitted operating budgets, which become effective on July 1.

Any subsequent budget adjustments requested by the AOC must be submitted to and approved by the Director of the DFA-Budget Division and LFC.

5. Formal budgetary integration is employed as a management control device during the fiscal year for the General, Special Revenue and Capital Projects Funds.

The budget is adopted on a modified accrual basis of accounting (General Appropriations Act, Laws of 2009, Chapter 7, Section 3, Subsections O and N) except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline (Section 6-10-4 NMSA 1978) that must be paid out of the next year’s budget. A reconciliation of budgetary basis to GAAP basis will be necessary if any accounts payable at the end of the fiscal year are not paid by the statutory deadline. The AOC has not included such reconciliation for fiscal year 2010 as all payables were paid by the statutory deadline.

F. Compensated Absences

Qualified employees accumulate annual leave as follows:

Years of Service	Hours Earned Per Pay Period	Hours of Maximum Accrual
1 month – 3 years	4.62	240
Over 3-7 years	5.54	240
Over 7-14 years	6.46	240
Over 14 years/beyond	7.39	240

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

F. Compensated Absences (Continued)

Two hundred forty (240) hours of accrued annual leave may be carried forward into the beginning of the next calendar year, and any excess is forfeited. When employees terminate, they are compensated for accumulated annual leave as of the date of termination, up to a maximum of two hundred forty (240) hours.

Employees who have over 600 hours of accumulated sick leave can receive payment for hours over 600, up to 120 hours, on July 1 or January 1 of each year. However, sick leave is paid at 50% of the employee's regular hourly wage. At retirement, employees can receive 50% payment for up to 400 hours for the hours over 600 hours of accumulated sick leave. Therefore, the only sick leave which has been accrued represents the hours earned at June 30, 2010, over 600 hours. Expenditures for accumulated sick pay for hours under 600 hours will be recognized as employees take such absences.

The leave accruals for compensated absences is calculated at employee pay rates in effect on June 30, 2010, and include direct and incremental salary-related payments such as the employer's share of social security taxes.

Accrued annual leave and vested sick pay are recorded as current liabilities in the government-wide financial statements because both are expected to be paid over the course of the coming year.

G. Federal Grants Receivable (Deferred Revenue)

Various reimbursement procedures are used for federal awards received by the AOC. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year-end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. Conversely, deferred revenue balances represent an overdraw of cash (advances) in excess of modified accrual basis expenditures. Generally, receivable or deferred revenue balances caused by differences in the timing of cash reimbursements and expenditures will be reversed or returned to the grantor in the remaining grant period.

Determining the amount of expenditures reimbursable by the federal government, in some cases, requires management to estimate allowable costs to be charged to the federal government. As a result of this and other issues, management provides an allowance for potential contractual allowances for federal revenue. Any changes in these estimates are recorded in the period that the estimate is changed.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

G. Federal Grants Receivable (Deferred Revenue) (Continued)

Certain federal program funds are passed through the AOC to sub grantee organizations. These pass-through funds are included in the Schedule of Expenditures of Federal Awards as part of total expenditures for those grants.

H. Reservations and Designations

Reservations of fund balance in the governmental fund statements are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriated for future expenditures. Specific reservations of fund balance accounts are summarized below:

Unreserved, Reported in Special Revenue or Capital Projects Funds. This designation represents funds of the AOC that are in non-reverting funds.

I. Net Assets

The government-wide utilizes a net asset presentation. Net Assets are categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Restricted Assets – are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory, bond covenant or granting agency) limitations on their use. Total capital projects funds in the amount of \$0 remained at year-end.

Unrestricted Assets – represent unrestricted liquid assets.

The AOC allocates expenses to restricted or unrestricted resources based on the budgeted source of funds.

J. 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
 ADMINISTRATIVE OFFICE OF THE COURTS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 (CONTINUED)**

K. Capital Assets

By state statute, all capital assets used by the AOC are accounted for by the State of New Mexico, Supreme Court Building Commission and not AOC. Capital assets purchased by the AOC are reported as Capital outlay expenditures.

**NOTE 2. CASH ACCOUNTS AND INTEREST IN STATE TREASURER
 INVESTMENT POOL POLICY**

All allotted funds to the AOC are held by the New Mexico State Treasurer. Deposits are non-interest bearing. Money deposited by the Supreme Court with the State Treasurer is pooled and invested by the State Treasurer. The State Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$250,000 in insurance coverage provided by federal agencies. Accordingly, the State Treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50% to 102% of the par value of the investment dependent upon the institutions operating results and capital. Collateral for the fiscal account is required in amounts equal to 50% of the average investment balance. Separate financial statements of the State Treasurer indicate collateral categories of risk and market value of purchased investments. All collateral is held in third-party safekeeping.

The above accounts are monitored for pledged collateral purposes by the Office of State Treasurer, which issues its own separate financial statements.

Cash on deposit at commercial banks are shown at book value. The Schedule of Cash Accounts provide a detailed listing of cash balances held by the State Treasurer and commercial banks. Balances at commercial banks that exceed FDIC insurance limits are required by state statute to be 50% collateralized. The State Treasurer monitors compliance with these collateral requirements.

State Treasurer Balance	\$15,329,696
Commercial Bank Balance	4,331,335
Magistrate Change Fund Balance	6,361
Reconciling items	<u>(538,049)</u>
Financial statement balance	<u>\$ 19,129,343</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 3. REVERSIONS

The amounts reverted to the State General Fund and reversion balances due at June 30, 2010 are detailed as follows:

	Reversion Amount	Due at June 30, 2010
Court Appointed Attorney (12400) Reversion - Budget year 2010	<u>\$ 59</u>	<u>59</u>
General Fund (13900) Reversion - Budget year 2010	3,737	3,737
Other	4,990	5,774
	<u>8,727</u>	<u>9,511</u>
Magistrate Drug Court (11600) Reversion – Budget year 2010	<u>2,967</u>	<u>2,967</u>
Jury and Witness Fees (01200) Reversion – Budget year 2010	<u>96,300</u>	<u>-</u>
Judges Pro-Temp Fund (13600) Reversion – Budget year 2010	<u>24,946</u>	<u>24,946</u>
Statewide Drug Court Technology (44300) Reversion – Budget year 2010	<u>1</u>	<u>1</u>
Statewide Data Processing (27300) Reversion – Budget year 2010	<u>7,261</u>	<u>7,261</u>
Magistrate Courts (69200) Budget year 2010	<u>9,596</u>	<u>9,596</u>
Total reversions	<u>\$ 149,857</u>	<u>54,341</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 4. COMPENSATED ABSENCES

During the year ended June 30, 2010, the following changes occurred in the compensated absence liabilities:

	Balance July 1, 2009	Increase	Decrease	Balance June 30, 2010
Compensated absences	\$ 1,235,159	1,326,300	(1,278,033)	<u>1,283,426</u>

The portion of compensated absences due after one year is not material, and therefore, not separately presented. Substantially, all of the compensated absences balances have been paid by the General Fund in prior years. The amount of compensated absences is calculated by multiplying the vested hours by the pay rate at year-end plus applicable payroll taxes.

NOTE 5. OPERATING LEASES

At June 30, 2010, the AOC is committed under various leases for buildings, magistrate office, courtroom facilities, copying and postage equipment. These leases are considered operating leases for accounting purposes. Lease expenditures for the year ended June 30, 2010, amounted to \$6,733,591 for buildings and \$350,325 for equipment. Many of the magistrate courts are in the process of acquiring new buildings; as a result, the future minimum lease calculation includes projected amounts. Future minimum lease payments for these leases are as follows:

Year ending June 30:	Buildings	Equipment
2011	\$ 6,711,705	302,822
2012	5,824,938	302,388
2013	5,313,094	215,078
2014	4,759,528	-
2015	4,355,810	-
2016-2020	16,292,400	-
2021-2025	<u>10,098,730</u>	-
	<u>\$ 53,356,205</u>	<u>820,288</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 6. PERA PENSION PLAN

Plan Description. Substantially all of the AOC'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 8.92% of their gross salary. The AOC is required to contribute 15.09% of the gross covered salary. The contribution requirements of plan members and the AOC are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The AOC's contributions to PERA for the fiscal years ending June 30, 2010, 2009 and 2008 were \$2,253,548, \$2,493,103, and \$2,309,888, respectively, which equal the amount of the required contributions for each fiscal year.

Plan Description. Substantially all of the Magistrate Judges of the AOC are eligible to participate in a defined benefit contributory retirement plan through the Magistrate Retirement Act (Chapter 10, Article 12C, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 9.0% of their gross salary. The AOC is required to contribute 9.5% of the gross covered salary. In addition, the AOC remits \$25.00 from each civil case docket fee paid in Magistrate Court and \$10.00 from each civil jury fee paid in Magistrate Court to PERA for accumulation in the Magistrate retirement fund. The contribution requirements of plan members and the AOC are established in State statute under Chapter 10, Article 12C, NMSA 1978. The requirements may be amended by acts of the legislature. The AOC's contributions to PERA for the fiscal years ending June 30, 2010, 2009 and 2008 were \$359,351, \$410,534, and \$401,854, respectively, which equal the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 7. POST-EMPLOYMENT BENEFITS

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary.

**STATE OF NEW MEXICO
 ADMINISTRATIVE OFFICE OF THE COURTS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2010**

NOTE 7. POST-EMPLOYMENT BENEFITS (CONTINUED)

In the fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

Also, employers joining the program after 1/1/98 are 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 Administrative Office of the Court's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$241,588, \$242,564 and \$227,493, respectively, which equal the required contributions for each year.

NOTE 8. SUPPLEMENTAL AND SPECIFIC APPROPRIATIONS

During the year, the AOC received data processing and capital outlay appropriations as described below:

Judicial Wide Data Processing Appropriations Laws of 2010, Chapter 6, Section 7, item 1: The AOC was appropriated \$895,000 for expenditures in fiscal years 2010, 2011 and 2012 to provide judicial case management system support to all courts. The appropriation is from the Supreme Court automation fund. HB 263 (Laws of 2009, Chapter 245) was enacted and increased the supreme court automation fee for civil cases filed in district, metropolitan and magistrate courts from \$10.00 to \$20.00 to fund this appropriation. As of June 30, 2010 no expenditures had been made.

Judicial Wide Data Processing Appropriations Laws of 2010, Chapter 6, Section 7, item 2: The period of time for expending the \$2,000,000 appropriated from the general fund contained in Subsection 2 of Section 7 of Chapter 3 of Laws 2008 to include the Bernalillo county metropolitan court in the implementation of the statewide integrated and consolidated case management system with electronic document management and electronic filing capabilities was extended through fiscal year 2012.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

**NOTE 8. SUPPLEMENTAL AND SPECIFIC APPROPRIATIONS
(CONTINUED)**

Judicial Wide Capital Outlay Appropriations laws of 2009, Chapter 125, Section 3: The AOC was appropriated \$1,000,000 for the purpose of: 1. \$200,000 for assistive listening devices statewide; and 2. \$800,000 to furnish and equip magistrate facilities statewide. At the end of June 30, 2010, \$891,084 remained unexpended.

As of June 30, 2010, \$921,493 remained to be requested or expended from the initial \$2,000,000, severance tax bond proceeds appropriated to the AOC from Laws of 2007, Chapter 42, Section 3, and from the initial \$1,000,000 from Laws of 2009, Chapter 125, Section 3.

Judicial Wide Data Processing Appropriations Laws of 2008, Chapter 3, Section 7, items 1, and 3: In item 1, the AOC received language extending initial appropriations of \$750,000 in Laws of 2006, Chapter 109, Section 7, and \$6,000,000 in Laws of 2007, Chapter 28, Section 7, through fiscal year 2010. As of June 30, 2010, \$1,002, remained unexpended from the \$750,000 appropriation, \$3,177, remained unexpended from the \$6,000,000 appropriation. These amounts will revert to the general fund and have been included in the June 30, 2010 AOC reversions

In item 3, the AOC received language extending initial appropriation of \$1,600,000 in Laws of 2007, Chapter 28, Section 7, item 4, to complete the implementation of electronic document management at the second judicial district court and to begin implementation at the thirteenth judicial district court through fiscal year 2010. As of June 30, 2010, \$3,082 remained unexpended and will revert to the general fund.

NOTE 9. RISK MANAGEMENT

The AOC is exposed to various risks of loss for which it carries insurance (Workers' Compensation, General Liability, Civil Rights, and Property) with the State of New Mexico Risk Management Division of the General Services Department.

**STATE OF NEW MEXICO
 ADMINISTRATIVE OFFICE OF THE COURTS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2010**

NOTE 10. INTERAGENCY TRANSFERS

Transfers to district courts from the Administrative Office of the Courts' General Fund for the year ended June 30, 2010 are as follows:

<u>From/ Fund Name</u>	<u>SHARE Fund #</u>	<u>To/Agency- Fund Name</u>	<u>Agency/SHARE Fund #</u>	<u>Amount</u>
General Fund	13900	Various Courts	Various Funds	<u>\$ 1,399,900</u>

For state appropriations transferred to the district courts.

Transfers to other agencies from the Administrative Office of the Court's for FY 2010 for year ended June 30, 2010 as follows:

<u>From/ Fund Name</u>	<u>SHARE Fund #</u>	<u>To/Agency- Fund Name</u>	<u>Agency/SHARE Fund #</u>	<u>Amount</u>
Magistrate Court Mediation	30400	DFA	34100-20900	\$ 100,000
Special Water Rights Adjudication	51200	DFA	34101-85300	500,000
Magistrate/Metro Court	57900	AOC-Magistrate and Securities	21800-49600	<u>200,000</u>
				<u>800,000</u>
Total transfers to other agencies				<u>\$ 2,199,900</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 10. INTERAGENCY TRANSFERS (CONTINUED)

Transfers from other agencies for the year ended June 30, 2010 are as follows:

<u>To/ Fund Name</u>	<u>SHARE Fund #</u>	<u>From/Agency- Fund Name</u>	<u>SHARE Fund #</u>	<u>Amount</u>
Water Rights Adjudication	51200	State Engineer- Capital Projects	55000-86400	\$ 851,367
Water Rights Adjudication	51200	Eleventh Judicial- District Court	24100-15100	1,300
Jury and Witness Fees	1200	DFA-Board of Finance	34100-20900	250,000
Magistrate Security and Facilities	49600	AOC-Magistrate/Metro Court	21800-57900	200,000
General Fund	13900	Magistrate Drug Court	21800-11600	<u>50,000</u>
Total transfers from other agencies				<u>\$ 1,352,667</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 10. INTERAGENCY TRANSFERS (CONTINUED)

Appropriations from the State of New Mexico General Fund for the year ended June 30, 2010 are as follows:

<u>To/ Fund Name</u>	<u>SHARE Fund #</u>	<u>From/Agency- Fund Name</u>	<u>SHARE Fund #</u>	<u>Amount</u>
Magistrate Drug Court Fund	11600	DFA- Appropriations	34100-85300	\$ 172,600
General Fund	13900	DFA- Appropriations	34100-85300	5,851,300
Jury and Witness Fees	01200	DFA- Appropriations	34100-85300	4,805,400
Court Appointed Attorney	12400	DFA- Appropriations	34100-85300	4,570,000
Magistrate Court	69200	DFA- Appropriations	34100-85300	23,319,800
Judges Pro-temp	13600	DFA- Appropriations	34100-85300	50,000
Judicial Perf Eval	58300	DFA- Appropriations	34100-85300	191,600
Judicial Information Division	68900	DFA- Appropriations	34100-85300	<u>2,790,100</u>
Total general fund appropriations				<u>\$ 41,750,800</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 11. DUE FROM/TO OTHER FUNDS

AOC had the following amounts from other funds at year end:

<u>From</u>	<u>To</u>	
13900 AOC General Fund	12400 Court Appointed Attorney	\$ 3,858
	51200 Water Rights Adjudication	210
	58300 Judicial Performance	<u>8,260</u>
		<u>12,328</u>
49600 Magistrate Security	69200 Magistrate General	11,413
57500 Magistrate Warrant	69200 Magistrate General	4,479
68900 JID General	01100 Supreme Court Auto	109
69200 Magistrate General	57500 Magistrate Warrant	10,894
01100 Supreme Court Automation	00689 JID General Fund	100
01200 Jury and Witness Fees	13900 General Fund	6,525
66400 Severance Tax Bonds	44300 Statewide Drug Court Technology	172,079
Federal Agencies	49500 Federal Grant Fund	107,514
New Mexico Office of Recovery and Reinvestment	89000 American Recovery and Reinvestment Act Fund	<u>18,603</u>
		<u>\$ 344,044</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO FINANCIAL STATEMENTS
June 30, 2010**

NOTE 11. DUE FROM/TO OTHER FUNDS (CONTINUED)

AOC had the following amounts due to other funds at year end:

<u>To</u>	<u>From</u>	
12400 Court Appointed Attorney	13900 AOC General Fund	\$ 3,859
51200 Water Rights Adjudication		210
58300 Judicial Performance		<u>8,260</u>
		<u>12,329</u>
00689 JID General Fund	01100 Supreme Court Automation	100
15300 13 th Judicial District Court	49500 Federal Grant Fund	1,224
57500 Warrant Enforcement	14200 Second Judicial Dist.	63
57500 Magistrate Warrant	69200 Magistrate General	10,894
69200 Magistrate Court	49600 Magistrate Security	15,892
01100 Supreme Court Auto	68900 JID General	109
13900 General Fund	01200 Jury and Witness Fees	<u>6,525</u>
		<u>\$ 47,136</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Statewide Drug Court Technology (44300)
Year Ended June 30, 2010**

Severance Tax Bond Appropriation

	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Severance Tax Bond Appropriations	\$ 433,333	433,333	433,333	-
Total revenues	<u>433,333</u>	<u>433,333</u>	<u>433,333</u>	<u>-</u>
Expenditures				
Personal services	-	-	-	-
Contractual services	-	-	-	-
Other costs	433,333	433,333	433,333	-
Other financing uses	-	-	-	-
Total expenditures	<u>433,333</u>	<u>433,333</u>	<u>433,333</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	-	-

General Fund Appropriations

	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	\$ -	-	-	-
Reversions	-	-	(1)	(1)
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Personal services	-	-	-	-
Contractual services	3,514	-	-	-
Other costs	-	3,514	3,514	-
Other financing uses	-	-	-	-
Total expenditures	<u>3,514</u>	<u>3,514</u>	<u>3,514</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(3,514)	(3,514)	<u>(3,515)</u>	<u>(1)</u>
Fund balance carryforward	<u>3,514</u>	<u>3,514</u>		
Total	<u>\$ -</u>	<u>-</u>		

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2010**

	Magistrate Drug Court 11600	Magistrate Court Operations 11120	Municipal Court Automation 12600	Judges Pro-Temp 13600	Magistrate Court Mediation 30400
ASSETS					
Interest in SGFIP	\$ 414,220	109	324,299	30,004	389,994
Other Cash	-	-	-	-	-
Due from other state agencies	-	-	-	-	-
Other Receivables	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Federal grants receivable	-	-	-	-	-
Fines and fees receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	\$ 414,220	109	324,299	30,004	389,994
LIABILITIES					
Deficit cash balance	\$ -	-	-	-	-
Accounts payable	27,022	-	23,293	5,057	3,734
Payroll Benefits Payable	1,769	-	(427)	-	-
Payroll Taxes Payable	1,643	-	(883)	-	-
Accrued Payroll	4,478	-	2,013	-	-
Other Liabilities	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Receipts held in suspense	-	-	-	-	-
Due to State General Fund	2,967	-	-	24,947	-
Due to other state agencies	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	37,879	-	23,996	30,004	3,734
FUND BALANCE					
Fund balances					
Unreserved and designated for future expenditures (deficit)	376,341	109	300,303	-	386,260
Total fund balance	376,341	109	300,303	-	386,260
Total liabilities and fund equity	\$ 414,220	109	324,299	30,004	389,994

See Notes to Financial Statements.

Grant 49500	ARRA 89000	Magistrate Security and Facilities 49600	Special Water Rights Adjudication 51200	Magistrate/ Metro Court 57900	Judicial Performance Evaluation 58300	Judicial Information Division 68900	Total
\$ -	-	879,418	1,014,618	-	364,921	170,089	3,587,672
-	-	-	-	-	-	-	-
107,514	18,603	-	-	-	-	-	126,117
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
279,607	-	-	-	-	-	-	279,607
-	-	-	-	-	-	-	-
-	-	11,413	-	-	-	109	11,522
<u>\$ 387,121</u>	<u>18,603</u>	<u>890,831</u>	<u>1,014,618</u>	<u>-</u>	<u>364,921</u>	<u>170,198</u>	<u>4,004,918</u>
\$ 244,762	9,951	-	-	-	-	-	254,713
104,922	8,752	5,586	20,846	-	28,703	-	227,915
4,720	-	-	1,668	-	437	54,352	62,519
2,530	-	-	701	-	391	34,246	38,628
8,309	-	-	2,448	-	750	81,500	99,498
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	27,914
1,224	-	-	-	-	-	-	1,224
-	-	-	210	-	8,260	100	8,570
<u>366,467</u>	<u>18,703</u>	<u>5,586</u>	<u>25,873</u>	<u>-</u>	<u>38,541</u>	<u>170,198</u>	<u>720,981</u>
20,654	(100)	885,245	988,745	-	326,380	-	3,283,937
<u>20,654</u>	<u>(100)</u>	<u>885,245</u>	<u>988,745</u>	<u>-</u>	<u>326,380</u>	<u>-</u>	<u>3,283,937</u>
<u>\$ 387,121</u>	<u>18,603</u>	<u>890,831</u>	<u>1,014,618</u>	<u>-</u>	<u>364,921</u>	<u>170,198</u>	<u>4,004,918</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL NON-MAJOR FUNDS
Year Ended June 30, 2010**

	Magistrate Drug Court 11600	Magistrate Court Operations 11120	Municipal Court Automation 12600	Judges Pro-Temp 13600	Magistrate Court Mediation 30400
Revenues					
Charges for services	\$ 329,720	109	943,767	-	111,661
Grants	-	-	-	-	-
Total revenues	329,720	109	943,767	-	111,661
Expenditures					
Current					
Personal services	95,907	-	99,859	-	-
Employee benefits	37,289	-	35,584	-	-
In-state travel	4,678	-	8,307	-	-
Maintenance and repairs	-	-	-	-	-
Supplies	5,218	-	961	-	-
Contractual services	104,133	-	-	25,054	29,632
Operating costs	2,697	-	3,742	-	-
Other costs	1,796	-	802,795	-	-
Out-of-state travel	2,034	-	2,895	-	-
Capital outlay	-	-	-	-	-
Other Financing Uses	-	-	-	-	-
Reversion	-	-	-	-	-
Total expenditures	253,752	-	954,143	25,054	29,632
(Deficiency) excess of revenues over expenditures	75,968	109	(10,376)	(25,054)	82,029
Other Financing Sources (Uses)					
General Fund appropriation	172,600	-	-	50,000	-
Transfers from other agencies	-	-	-	-	-
Transfers to other agencies	-	-	-	-	(100,000)
Transfer from other governments	-	-	-	-	-
Reversions	(2,967)	-	-	(24,946)	-
Net other financing sources (uses)	169,633	-	-	25,054	(100,000)
Net changes in fund balances	245,601	109	(10,376)	-	(17,971)
Fund balance at beginning of year	130,740	-	310,679	-	404,231
Fund balance at end of year (deficit)	\$ 376,341	109	300,303	-	386,260

See Notes to Financial Statements.

Grant 49500	ARRA 89000	Magistrate Security and Facilities 49600	Special Water Rights Adjudication 51200	Magistrate/ Metro Court Capital 57900	Judicial Performance Evaluation 58300	Judicial Information Division 68900	Total
\$ -	-	-	-	-	-	-	1,385,257
1,260,537	38,080	-	-	-	-	-	1,298,617
1,260,537	38,080	-	-	-	-	-	2,683,874
228,121	-	-	40,283	-	27,946	1,918,962	2,411,078
94,551	-	-	14,338	-	9,079	632,538	823,379
3,849	2,798	8,741	895	-	13,609	-	42,877
93	-	16,828	-	-	-	-	16,921
30,808	673	38,859	-	-	38	-	76,557
858,953	18,423	176,754	323,887	-	145,816	-	1,682,652
26,057	13,450	1,148,994	580	-	176	238,600	1,434,296
2,139	516	-	-	-	-	-	807,246
13,475	2,320	-	145	-	-	-	20,869
-	-	44,281	-	-	-	-	44,281
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,258,046	38,180	1,434,457	380,128	-	196,664	2,790,100	7,360,156
2,491	(100)	(1,434,457)	(380,128)	-	(196,664)	(2,790,100)	(4,676,282)
-	-	-	-	-	191,600	2,790,100	3,204,300
-	-	200,000	852,667	-	-	-	1,052,667
-	-	-	(500,000)	(200,000)	-	-	(800,000)
-	-	1,500,000	-	-	-	-	1,500,000
-	-	-	-	-	-	-	(27,913)
-	-	1,700,000	352,667	(200,000)	191,600	2,790,100	4,929,054
2,491	(100)	265,543	(27,461)	(200,000)	(5,064)	-	252,772
18,163	-	619,702	1,016,206	200,000	331,444	-	3,031,165
\$ 20,654	(100)	885,245	988,745	-	326,380	-	3,283,937

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Magistrate Drug Court Fund (11600)
Year Ended June 30, 2010**

	Magistrate Drug Court Fund (11600)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	214,400	172,600	172,600	-
Other financing sources	-	-	-	-
Miscellaneous revenues	-	148,000	329,720	181,720
Reversions	\$ -	-	(2,967)	(2,967)
Total Revenue	214,400	320,600	499,353	178,753
Expenditures				
Personal Services	63,300	191,300	133,196	58,104
Contract Services	111,700	107,100	104,133	2,967
Other Costs	39,400	22,200	16,423	5,777
Total expenditures	214,400	320,600	253,752	66,848
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	245,601	245,601

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Municipal Court Automation (12600)
Year Ended June 30, 2010**

	Municipal Court Automation (12600)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other financing sources	-	-	-	-
Miscellaneous revenues	996,000	1,116,000	943,767	(172,233)
Reversions	-	-	-	-
	Total Revenue	996,000	1,116,000	943,767
				(172,233)
Expenditures				
Personal Services	197,200	197,200	135,443	61,757
Other Costs	798,800	918,800	818,700	100,100
	Total expenditures	996,000	1,116,000	954,143
				161,857
Excess of revenues and other financing sources over expenditures and other financing uses	-	-	(10,376)	(10,376)

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Judges Pro-Temp (13600)
Year Ended June 30, 2010**

	Judges Pro-Temp (13600)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	\$ 77,600	50,000	50,000	-
Other financing sources	-	-	-	-
Reversions to State General Fund	-	-	(24,946)	(24,946)
Total Revenue	77,600	50,000	25,054	(24,946)
Expenditures				
Personal services	-	-	-	-
Contractual services	77,600	50,000	25,054	24,946
Other costs	-	-	-	-
Total expenditures	77,600	50,000	25,054	24,946
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	-	-

See Notes to Financial Statements.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Magistrate Court Mediation Fund (30400)
Year Ended June 30, 2010

	Magistrate Court Mediation (30400)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Misc Revenue	\$ 105,000	105,000	111,661	6,661
Other financing sources	-	-	-	-
Reversions	-	-	-	-
Total revenues	<u>105,000</u>	<u>105,000</u>	<u>111,661</u>	<u>6,661</u>
Expenditures				
Personal services	-	-	-	-
Contractual services	175,000	175,000	29,632	145,368
Other costs	40,000	40,000	-	40,000
Other financing uses	-	100,000	100,000	-
Total expenditures	<u>215,000</u>	<u>315,000</u>	<u>129,632</u>	<u>185,368</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(110,000)	(210,000)	<u>(17,971)</u>	<u>192,029</u>
Fund balance carryforward	110,000	210,000		
	<u>\$ -</u>	<u>-</u>		

See Notes to Financial Statements.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Magistrate Security and Facilities (49600)
Year Ended June 30, 2010

	Magistrate Security and Facilities (49600)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General Fund Appropriation	-	-	-	-
Miscellaneous revenues	\$ 950,000	950,000	921,557	(28,443)
Reversions	-	-	-	-
Other financing sources	350,000	550,000	778,443	228,443
Total revenues	1,300,000	1,500,000	1,700,000	200,000
Expenditures				
Personal Services	-	-	-	-
Contractual services	10,000	230,000	176,754	53,246
Other Costs	1,290,000	1,270,000	1,257,703	12,297
Other Financing Uses	-	-	-	-
Total expenditures	1,300,000	1,500,000	1,434,457	65,543
Excess of revenues and other financing sources over expenditures and other financing uses	-	-	265,543	265,543

See Notes to Financial Statements.

STATE OF NEW MEXICO
 ADMINISTRATIVE OFFICE OF THE COURTS
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Water Rights Adjudication Fund (51200)
 Year Ended June 30, 2010

	Water Rights Adjudication (51200)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General Fund Appropriation	\$ -	-	-	-
Miscellaneous revenues	-	-	-	-
Reversions	-	-	-	-
Other financing sources	380,000	380,000	852,667	472,667
Total revenues	380,000	380,000	852,667	472,667
Expenditures				
Personal Services	-	56,000	54,621	1,379
Contractual services	380,000	380,000	323,887	56,113
Other Costs	-	3,000	1,620	1,380
Other Financing Uses	-	500,000	500,000	-
Total expenditures	380,000	939,000	880,128	58,872
Excess of revenues and other financing sources over expenditures and other financing uses	-	(559,000)	(27,461)	531,539
Fund balance carryforward		559,000		
Total	\$ -	-		

See Notes to Financial Statements.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Magistrate/Metro Court Capital Fund (57900)
Year Ended June 30, 2010

Magistrate/Metro Court Capital Fund (57900)				
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other financing sources	350,000	350,000	-	(350,000)
Reversions	\$ -	-	-	-
	<hr/>			
Total Revenue	350,000	350,000	-	(350,000)
	<hr/>			
Expenditures				
Other costs	-	-	-	-
Other financing uses	350,000	350,000	200,000	150,000
	<hr/>			
Total expenditures	350,000	350,000	200,000	150,000
	<hr/>			
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	(200,000)	(200,000)
	<hr/> <hr/>			

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Judicial Information Division Fund (68900)
Year Ended June 30, 2010**

	Judicial Information Division Fund (68900)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	2,847,000	2,790,100	2,790,100	-
Other financing sources	-	-	-	-
Reversions to State General Fund	-	-	-	-
Total Revenues	\$ 2,847,000	2,790,100	2,790,100	-
Expenditures				
Personal services	2,551,500	2,551,500	2,551,500	-
Contractual services	-	-	-	-
Other Costs	295,500	238,600	238,600	-
Total expenditures	\$ 2,847,000	2,790,100	2,790,100	-
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	-	-

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Judicial Performance Evaluation Fund (58300)
Year Ended June 30, 2010**

	Judicial Performance Evaluation Fund (58300)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	195,500	191,600	191,600	-
Other financing sources	-	-	-	-
Reversions to State General Fund	-	-	-	-
Misc Revenue	\$ -	-	-	-
Total Revenue	<u>195,500</u>	<u>191,600</u>	<u>191,600</u>	<u>-</u>
Expenditures				
Personal services	\$ 29,200	40,700	37,025	3,675
Contractual services	246,300	234,800	145,816	88,984
Other costs	20,000	16,100	13,823	2,277
Total expenditures	<u>295,500</u>	<u>291,600</u>	<u>196,664</u>	<u>94,936</u>
Excess of revenues and other financing sources over expenditures and other financing uses	(100,000)	(100,000)	<u>(5,064)</u>	<u>94,936</u>
Fund balance carryforward	<u>100,000</u>	<u>100,000</u>		
Total	<u>\$ -</u>	<u>-</u>		

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
Grant Fund (49500)
Year Ended June 30, 2010**

	Grant Fund (49500)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Federal Grants	\$ 1,422,900	1,849,304	1,260,537	(588,767)
Other financing sources	-	-	-	-
Total revenues	<u>1,422,900</u>	<u>1,849,304</u>	<u>1,260,537</u>	<u>(588,767)</u>
Expenditures				
Personal Services	288,300	354,441	322,672	31,769
Contractual services	974,500	1,318,082	858,953	459,129
Other Costs	160,100	176,781	76,421	100,360
Other financing uses	-	-	-	-
Total Expenditures	<u>1,422,900</u>	<u>1,849,304</u>	<u>1,258,046</u>	<u>591,258</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	2,491	2,491

See Notes to Financial Statements.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ARRA Fund (89000)
Year Ended June 30, 2010**

	ARRA Fund (89000)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Federal Grants	\$	40,851	38,080	(2,771)
Other financing sources	-	-	-	-
Total revenues	<u>-</u>	<u>40,851</u>	<u>38,080</u>	<u>(2,771)</u>
Expenditures				
Personal Services	-	-	-	-
Contractual services	-	18,632	18,423	209
Other Costs	-	22,219	19,757	2,462
Other financing uses	-	-	-	-
Total Expenditures	<u>-</u>	<u>40,851</u>	<u>38,180</u>	<u>2,671</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$	-	(100)	(100)

See Notes to Financial Statements.

STATE OF NEW MEXICO
 ADMINISTRATIVE OFFICE OF THE COURTS
 STATEMENT OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 Magistrate Court Operations (11120)
 Year Ended June 30, 2010

	Magistrate Court Operations (11120)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other financing sources	\$ -	-	109	109
Total revenues	<u>-</u>	<u>-</u>	<u>109</u>	<u>109</u>
Expenditures				
Personal Services	-	-	-	-
Contractual services	-	-	-	-
Other Costs	-	-	-	-
Other financing uses	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	-	109	109

See Notes to Financial Statements.

SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
June 30, 2010

<u>Total All Agency Funds</u>	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
ASSETS				
Interest in State General Fund Investment Pool	\$ 4,652,015	18,095,880	(18,594,517)	4,153,378
Cash in commercial banks	4,155,587	21,028,289	(21,390,590)	3,793,286
Total assets	\$ 8,807,602	39,124,169	(39,985,107)	7,946,664
LIABILITIES				
Due to other state agencies	\$ 4,961,048	18,055,492	(18,582,162)	4,434,378
Due to litigants	2,894,048	9,565,348	(9,978,736)	2,480,660
Due to				
Brain Injury Fee Fund (481)	37,493	416,815	(416,588)	37,720
Civil Legal Service Fund (600)	31,965	327,006	(329,011)	29,960
Correction Fee Fund (688)	166,734	1,886,421	(1,884,613)	168,542
Court Automation Fund (078)	115,982	1,414,058	(1,400,985)	129,055
Court Facilities Fund (532)	197,452	2,177,977	(2,181,314)	194,115
Crime Laboratory Fund (687)	66,141	728,695	(733,147)	61,689
Judges Retirement Fund (122)	53,119	543,250	(546,419)	49,950
Juvenile Adjudication (11210)	-	1,284	(1,094)	190
Judicial Education Fee Fund (577)	16,842	239,836	(232,640)	24,038
Magistrate Enforcement Fund (576)	202,096	3,043,212	(2,973,258)	272,050
Magistrate Penalty Assessment Fund (794)	417	3,709	(3,809)	317
Domestic Violence Offender Fund (515)	41,723	468,559	(468,949)	41,333
Traffic Safety Fund (252)	22,542	252,507	(252,382)	22,667
Total liabilities	\$ 8,807,602	39,124,169	(39,985,107)	7,946,664

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS-DETAILED
June 30, 2010

<u>Litigant Fund</u>	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
ASSETS				
Interest in State General Fund Investment Pool	\$ 178,682	40,388	(7,331)	211,739
Cash in commercial banks	2,715,366	9,524,960	(9,971,405)	2,268,921
Total assets	\$ 2,894,048	9,565,348	(9,978,736)	2,480,660
LIABILITIES				
Due to litigants	\$ 2,894,048	9,565,348	(9,978,736)	2,480,660

Fines and Fees Fund

ASSETS				
Interest in State General Fund Investment Pool	\$ 4,473,333	18,055,492	(18,587,186)	3,941,639
Cash in commercial banks	1,440,221	11,503,329	(11,419,185)	1,524,365
Total assets	\$ 5,913,554	29,558,821	(30,006,371)	5,466,004
LIABILITIES				
Due to other state agencies	\$ 4,961,048	18,055,492	(18,582,162)	4,434,378
Due to				
Brain Injury Fee Fund (481)	37,493	416,815	(416,588)	37,720
Civil Legal Service Fund (600)	31,965	327,006	(329,011)	29,960
Correction Fee Fund (688)	166,734	1,886,421	(1,884,613)	168,542
Court Automation Fund (078)	115,982	1,414,058	(1,400,985)	129,055
Court Facilities Fund (532)	197,452	2,177,977	(2,181,314)	194,115
Crime Laboratory Fund (687)	66,141	728,695	(733,147)	61,689
Judges Retirement Fund (122)	53,119	543,250	(546,419)	49,950
Juvenile Adjudication (11210)	-	1,284	(1,094)	190
Judicial Education Fee Fund (577)	16,842	239,836	(232,640)	24,038
Magistrate Enforcement Fund (576)	202,096	3,043,212	(2,973,258)	272,050
Magistrate Penalty Assessment Fund (794)	417	3,709	(3,809)	317
Domestic Violence Offender Fund (515)	41,723	468,559	(468,949)	41,333
Traffic Safety Fund (252)	22,542	252,507	(252,382)	22,667
Total liabilities	\$ 5,913,554	29,558,821	(30,006,371)	5,466,004

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF CASH ACCOUNTS
June 30, 2010**

	Fund	Balance June 30, 2010
Cash on Deposit - State Treasurer General Fund		
Administrative Office of the Courts	139	\$ <u>309,427</u>
Special Revenue Funds		
JID Supreme Court Automation	011	2,641,312
Jury & Witness Fees	12	561,295
Magistrate Drug Court Fund	116	414,220
Magistrate Court Operations	11120	109
Court Appointed Attorney	124	429,168
JID Municipal Court Automation	126	324,299
Judges Pro-Temp	136	30,004
JID Statewide Automated Bond	273	1,768,884
Grant Fund	495	(244,762)
ARRA Fund	890	(9,951)
Magistrate Court Mediation Fund	304	389,994
Statewide drug court	443	(38,684)
Magistrate Security & Facilities Fund	496	879,418
Water Adjudication Fund	512	1,014,618
Magistrate Court Warrant Enforcement	575	1,258,528
Magistrate/Metro Court	579	-
JID Non-Grant Projects	583	364,921
JID Judicial Information Division	689	170,089
Magistrate Courts	692	913,429
Total Special Revenue Funds		<u><u>10,866,891</u></u>
Fiduciary Funds		
Brain Injury Fee Fund	481	44,629
Civil Legal Service Fund	600	210,467
Correction Fees Fund	688	1,887,579
Court Automation Fund	078	456,164
Court Facilities Fund	532	490,925
Crime Laboratory Fees Fund	687	237,000
Judicial Education Fee Fund	577	28,305
Magistrate - Penalty Assessment Fund	794	331
Magistrate Court Warrant Enforcement Fund	576	347,546
Suspense Fund	533	9,625
Magistrate Retirement Fund	122	62,748
Juvenile Adjudication	11210	577
Magistrate Suspense Fund	822	211,739
Municipal Court Automation Fund	704	65,849
Domestic Violence Treatment Fund	515	65,130
Traffic Safety Fund	252	34,764
Total Fiduciary Funds		<u><u>4,153,378</u></u>
Total cash on deposit - State Treasurer		15,329,696
Total cash per books		<u><u>\$ 15,329,696</u></u>

STATE OF NEW MEXICO
 ADMINISTRATIVE OFFICE OF THE COURTS
 SCHEDULE OF CASH ACCOUNTS (CONTINUED)
 June 30, 2010

Magistrate Court	Bank	Court Location	Bank Balance June 30, 2010
Catron I	First State	Reserve	\$ 2,927
Catron Circuit	First State	Quemado	6,701
Chaves I, II	Valley Bank of Commerce	Roswell	367,582
Cibola I, II	Wells Fargo	Grants	29,500
Colfax I	International State	Raton	38,872
Colfax II	International State	Springer	24,199
Colfax Circuit - CLOSED	International State	Cimarron	-
Curry I, II	New Mexico Bank & Trust	Clovis	213,276
DeBaca I	Citizens Bank of Clovis	Ft. Sumner	6,016
Dona Ana I, II, III	Community First National	Las Cruces	533,405
Dona Ana Circuit	Community First National	Anthony	62,789
Dona Ana Hatch	Community First National	Hatch	3,463
Eddy I, II	Western Commerce	Carlsbad	47,572
Eddy III	First National	Artesia	88,134
Grant I	Wells Fargo	Silver City	35,961
Grant II	Bank of America	Bayard	15,474
Guadalupe I	Wells Fargo	Santa Rosa	36,242
Guadalupe Circuit - CLOSED	Wells Fargo	Vaughn	-
Harding I	Wells Fargo	Roy	1,687
Hidalgo I	Western	Lordsburg	69,154
Lea I	Lea County State	Lovington	31,491
Lea II	Lea County State	Hobbs	75,472
Lea III	Wells Fargo	Eunice	16,761
Lea IV	Western Commerce	Tatum	50
Lea Circuit	Wells Fargo	Jal	5,357
Lincoln I	Wells Fargo	Carrizozo	22,399
Lincoln II	First National	Ruidoso	46,621
Los Alamos I	Los Alamos National	Los Alamos	10,976
Luna I	Wells Fargo	Deming	55,121
McKinley I, II	Wells Fargo	Gallup	207,044
McKinley III - CLOSED	Wells Fargo	Thoreau	-
			<hr/>
			2,054,246
			<hr/>

Reconciling Items	Book Balance June 30, 2010	Deposits In Transit	Outstanding Checks	Book Bal Variance	Bond Bal
\$ 120	3,047	130	10		854
-	6,701	-	-		-
(375)	367,207	1,656	2,031		304,035
986	30,486	1,311	325		11,990
(1,631)	37,241	628	2,259		15,392
(624)	23,575	-	624		16,975
-	-	-	-		-
(2,386)	210,890	7,560	9,946	(976)	150,003
(14)	6,002	73	87		1,300
(209,927)	323,478	-	209,927	(3)	133,150
(539)	62,250	-	539		8,868
(3)	3,460	-	3		-
(42)	47,530	-	42		15,416
(33,218)	54,916	-	33,218		22,241
81	36,042	237	156		11,224
(88)	15,386	-	88		5,535
(266)	35,976	-	266		14,906
-	-	-	-		-
-	1,687	-	-		-
(3,763)	65,391	-	3,763		33,989
(1,365)	30,126	-	1,365		10,385
(1,000)	74,472	-	1,000		43,283
-	16,761	-	-		14,099
-	50	-	-		-
(27)	5,330	-	27		3,200
222	22,621	222	-		8,644
(512)	46,109	-	512		20,904
-	10,976	-	-		5,475
(894)	54,227	1,541	2,435		15,725
(5,175)	201,869	4,967	10,142	(79)	143,443
-	-	-	-		-
(260,440)	1,793,806	18,325	278,765	(1,058)	1,011,036

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF CASH ACCOUNTS (CONTINUED)
June 30, 2009

Magistrate Court	Bank	Court Location	Bank Balance June 30, 2010
Mora I	Bank of Las Vegas	Mora	\$ 8,332
Otero I, II	First National	Alamogordo	107,149
Quay I	Wells Fargo	Tucumcari	60,691
Rio Arriba I, II	Bank of America	Espanola	246,366
Rio Arriba Circuit	Community Bank	Chama	39,917
Roosevelt I	Portales National	Portales	71,837
San Juan I	Wells Fargo	Aztec	172,438
San Juan II, III	Bank of the Southwest	Farmington	80,930
San Miguel I, II	Bank of Las Vegas	Las Vegas	107,449
Sandoval I	Wells Fargo	Bernalillo	167,100
Sandoval II	Wells Fargo	Cuba	43,666
Santa Fe I, II, III	Wells Fargo	Santa Fe	718,619
Santa Fe Circuit	Wells Fargo	Pojoaque	3,140
Sierra I	Bank of the Southwest	T or C	67,307
Socorro I	Wells Fargo	Socorro	62,166
Taos I, II	Centinel	Taos	75,232
Taos Circuit	Centinel	Questa	8,864
Torrance I, II	Wells Fargo	Moriarity	65,146
Torrance Circuit	Wells Fargo	Estancia	5,352
Union I	Farmers/Stockmens	Clayton	11,121
Valencia I	Ranchers Banks	Los Lunas	83,413
Valencia II	Ranchers Banks	Belen	70,854
			<u>2,277,089</u>
	Total bank and book balance		<u>\$ 4,331,335</u>
	Total - change funds		<u>\$ 6,361</u>
	Total - cash in banks		\$ 4,331,335
	Total - deposits in transit		38,581
	Total outstanding checks		(576,630)
	Total cash per books		<u>\$ 3,793,286</u>
	Cash on deposit with State Treasurer for governmental funds per books		\$ 11,182,679
	Cash on Deposit with the State Treasurer for agency		4,153,378
	Cash on deposit with banks per books		<u>3,793,286</u>
	Total cash per books		<u>\$ 19,129,343</u>

Reconciling Items	Book Balance June 30, 2010	Deposits In Transit	Outstanding Checks	Book Bal Variance	Bond Bal
\$ (2)	8,330	-	2		2,528
(11,633)	95,516	-	11,633		31,023
1,173	61,864	1,881	708		28,349
(58,685)	187,681	906	59,591		154,921
(1,300)	38,617	-	1,300		33,435
149	71,986	288	139		43,300
3,034	175,472	5,898	2,864		65,999
(2,245)	78,685	860	3,105		26,006
1,798	109,247	2,998	1,200		81,316
(5,332)	161,768	2,618	7,950		118,271
(3,528)	40,138	1,361	4,889		23,681
(165,254)	553,365	2,773	168,027		390,119
-	3,140	-	-		1,870
480	67,787	512	32	(50)	26,205
(2,194)	59,972	-	2,194		38,692
(996)	74,236	-	996		54,121
49	8,913	61	12		5,661
(26,355)	38,791	-	26,355	(5,345)	19,796
(2,000)	3,352	-	2,000	(50)	2,200
71	11,192	100	29		5,150
(2,660)	80,753	-	2,660		57,642
(2,179)	68,675	-	2,179		47,600
(277,609)	1,999,480	20,256	297,865	(5,445)	1,257,885
\$ (538,049)	3,793,286	38,581	576,630	(6,503)	2,268,921

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF CASH ACCOUNTS (CONTINUED)
Year Ended June 30, 2010**

Magistrate Court-Change Funds	Court Location	Balance June 30, 2010
Catron I	Reserve	\$ 65
Catron Circuit	Quemado	65
Chaves I, II	Roswell	200
Cibola I, II	Grants	100
Colfax I	Raton	100
Colfax II	Springer	65
Colfax Circuit	Cimarron	100
Curry I, II	Clovis	100
DeBaca I	Ft. Sumner	100
Dona Ana I, II, III	Las Cruces	200
Dona Ana Circuit	Anthony	100
Dona Ana Hatch	Hatch	-
Eddy I, II	Carlsbad	200
Eddy III	Artesia	100
Grant I	Silver City	150
Grant II	Bayard	90
Guadalupe I	Santa Rosa	150
Guadalupe Circuit	Vaughn	65
Harding I	Roy	65
Hidalgo I	Lordsburg	150
Lea I	Lovington	150
Lea II	Hobbs	350
Lea III	Eunice	100
Lea IV	Tatum	65
Lea Circuit	Jal	100
Lincoln II	Carrizozo	-
Lincoln II	Ruidoso	-
Los Alamos I	Los Alamos	65
		<hr/>
		2,995
		<hr/>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF CASH ACCOUNTS (CONTINUED)
Year Ended June 30, 2010**

Magistrate Court-Change Funds	Court Location	Balance June 30, 2010
Luna I	Deming	\$ -
McKinley I, II	Gallup	300
McKinley III	Thoreau	-
Mora I	Mora	65
Otero I, II	Alamogordo	100
Quay I	Tucumcari	300
Rio Arriba Circuit	Chama	65
Rio Arriba I, II	Espanola	65
Roosevelt I	Portales	250
Sandoval I	Bernalillo	250
Sandoval II	Cuba	65
San Juan I	Aztec	150
San Juan II, III	Farmington	300
San Miguel I, II	Las Vegas	46
Santa Fe I, II, III	Santa Fe	200
Santa Fe Circuit	Pojaque	65
Sierra I	T of C	100
Socorro I	Socorro	100
Taos I, II	Taos	100
Taos Circuit	Questa	100
Torrance I	Moriarity	250
Torrance Circuit	Estancia	65
Union I	Clayton	100
Valencia I	Los Lunas	130
Valencia II	Belen	200
		<hr/>
		3,366
		<hr/>
Total		\$ 6,361
		<hr/> <hr/>

SINGLE AUDIT INFORMATION

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2010**

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Justice / Office of Justice Programs			
BJA - Congressionally Mandated Awards (5073)	16.580		\$ 138,992
BJA - Congressional Award for NM Drug Court Programs (5085)	16.580		<u>155,862</u>
Subtotal U.S. Department of Justice			<u>294,854</u>
Pass-through Program From			
State of New Mexico Department of Public Safety ARRA - JAG	16.803	RA-JAG-ACO-SFY10	<u>38,080</u>
Total U.S. Department of Justice			<u>332,934</u>
U.S. Department of Transportation			
Pass-through Program From:			
State of New Mexico Department of Transportation			
AOC DWI Courts (5078)	20.600	09-AL-10-P27	105,726
AOC DWI/Drug Court Expansion (5080)	20.600	10-AL-10-P27	<u>240,710</u>
Subtotal State of New Mexico Department of Transportation			346,436
Total U.S. Department of Transportation			<u>346,436</u>
U.S. Department of Health and Human Service			
State Court Improvement Program - Basic (5069)	93.586		7,139
Court Improvement Training Program (5071)	93.586		998
State Court Improvement Program - Basic (5074)	93.586		68,610
Court Improvement Data Sharing Program (5075)	93.586		54,403
Court Improvement Training Program (5076)	93.586		97,411
State Court Improvement - Basic Program (5081)	93.586		65,319
State Court Improvement - Data Program (5082)	93.586		34,431
State Court Improvement - Training Program (5083)	93.586		55,838
State Court Improvement - Basic Program (5086)	93.586		<u>320</u>
Subtotal U.S. Department of Health and Human Services			384,469
Pass-through Program From:			
State of New Mexico Department of Children, Youth & Families			
Mediation Services (5079)	93.556	09-690-7745	<u>156,904</u>
Subtotal State of New Mexico Department of Children, Youth and Families			156,904
Total U.S. Department of Health and Human Services			<u>541,373</u>
State Justice Institute			
New Mexico Justice System Interpreter Resources Partnership (5077)	xx.xxx	SJI-08-N-173	11,053
New Mexico Justice System Interpreter Resources Partnership Phase	xx.xxx	SJI-09-N-157	<u>65,189</u>
Subtotal State Justice Institute			76,242
Total State Justice Institute			<u>76,242</u>
Total Expenditures of Federal Awards			<u>\$ 1,296,985</u>

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2010**

NOTE A. SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

State Justice Institute Grants. The State Justice Institute is not a federal government agency; therefore, no CFDA number has been issued.

**Report on Internal Control
Over Financial Reporting and On Compliance and
Other Matters Based on an Audit of the Financial
Statements Performed in Accordance With
*Government Auditing Standards***

Honorable Charles W. Daniels, Chief Justice
New Mexico Supreme Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

We have audited the financial statements of the governmental activities and the major funds and the budgetary comparisons for the general fund and major special revenue funds, of the State of New Mexico Administrative Office of the Courts (AOC), as of and for the year ended June 30, 2010, and have issued our report thereon dated January 26, 2011. We have also audited the financial statements of the AOC's non major funds, fiduciary funds and all the budgetary comparisons presented as supplementary information in the combining individual fund statements as of and for the year ended June 30, 2010, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Honorable Charles W. Daniels, Chief Justice
New Mexico Supreme Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as items 09-01, 10-01, 10-02 and 10-03 that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the AOC'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 08-06.

AOC's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit AOC's response and, accordingly, we express no opinion on it.

Honorable Charles W. Daniels, Chief Justice
New Mexico Supreme Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

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

Mess Adams LLP

Albuquerque, New Mexico
January 26, 2011

**Report on Compliance with Requirements That Could Have a Direct
and Material Effect on Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133**

Honorable Charles W. Daniels, Chairperson
New Mexico Supreme Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

Compliance

We have audited the compliance of the State of New Mexico, Administrative Office of the Courts (AOC) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of AOC's major federal programs for the year ended June 30, 2010. The AOC'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 AOC's management. Our responsibility is to express an opinion on the AOC'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, *Audit of States, Local Governments, and Not-for-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 AOC'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 AOC's compliance with those requirements.

In our opinion, the AOC, complied, in all material respects, with the requirements referred to above that each of its major federal program for the year ended June 30, 2010.

Honorable Charles W. Daniels, Chairperson
New Mexico Supreme Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

Internal Control Over Compliance

Management of AOC is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and AOC's grants applicable to federal programs. In planning and performing our audit, we considered AOC's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control compliance. Accordingly, we do not express an opinion on the effectiveness of AOC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and 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.

Honorable Charles W. Daniels, Chairperson
New Mexico Supreme Court
and
Mr. Hector H. Balderas,
New Mexico State Auditor

This report is intended solely for the information and use of the AOC's management, the New Mexico State Auditor, the New Mexico Department of Finance and Administration, The New Mexico State Legislature, and the federal awarding and passes through agencies and is not intended to be and should not be used by anyone other than those specific parties.

Mess Adams LLP

Albuquerque, New Mexico
January 26, 2011

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2010**

08-02	Mail Handling Procedures	Resolved
08-06	Abstract not forwarded to DMV timely	Repeated and Included
09-01	Lack of Proper Segregation of Duties	Repeated and Included

**STATE OF NEW MEXICO
 ADMINISTRATIVE OFFICE OF THE COURTS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2010**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified that are not considered to be material weakness(es)? X Yes _____ None Reported

Non-compliance material to financial statements noted? X Yes _____ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified that are not considered to be material weakness(es) _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ Yes X No

Identification of Major Program

CFDA Number	Name of Federal Program or Cluster
20.600	AOC DWI Courts

Dollar threshold used to distinguish between type A and type B programs \$ 300,000

Auditee qualified as low-risk auditee? X Yes _____ No

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2010**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

08-06 Traffic Violation - Abstract not forwarded to DMV On-Time

CONDITION

Of the thirteen Magistrate Courts visited, we noted at one Court that a file contained an abstract from a traffic violation case that had not been forwarded to the DMV in a timely manner.

CRITERIA

The abstract of a traffic violation case is to be forwarded to the Department of Motor Vehicles within 10 days of being adjudicated by the Court.

EFFECT

The Department of Motor Vehicles will receive the abstracts late, which could result in improper or late recording of a violation to the defendant's driver's record or reported late to the defendant's insurance carrier.

CAUSE

Although the direct cause is unknown, we expect that the reason for the late submission of the abstracts to the DMV lack of supervisory monitoring.

RECOMMENDATION

We recommend that the Administrative Office of the Courts emphasize their policy regarding abstracts, and that the courts individually develop a checklist for each of the case files that can help the clerks remember their various responsibilities with regards to documentation.

MANAGEMENT RESPONSE

Management concurs with this finding. Since the exit conference, the Santa Fe Magistrate Court has implemented a procedure where abstracts are prepared and placed in a basket after cases have been adjudicated throughout the day, then placed in an envelope and mailed to MVD daily. Management has also initiated a project to collect abstract data and forward it to MVD electronically for all magistrate courts, which will meet the statutory requirements and relieve the courts of the necessity to forward a hard copy. This project is expected to be implemented during calendar year 2011.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2010**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

09-01 Cash Receipts - Segregation of Duties

CONDITION

Of the thirteen Magistrate Courts visited, we noted three Courts with outstanding checks that were over six months old. We noted in one court, the same clerk will receipt and log in payments received in the mail and post these payments into FACTS, without having a second clerk verify payments received and posted. We noted in one court the Judge will perform the deposit verification, as opposed to faxing the deposit information to be verified by another court. Lastly, we noted in one court, that the use of a date stamp is not implemented.

CRITERIA

Checks over six months old are to be remitted to the Administrative Office of the Court's Suspense Fund (New Mexico Magistrate Court Administrative Procedures Manual 11.13.G.2.b).

The incoming mail function should be separated from the cash receipting function. (New Mexico Magistrate Court Administrative Procedures Manual 11.3.B.1)

Controls should be in place to segregate duties to minimize the possibility of loss, errors, or theft. Without a minimum of two full time clerks working in the court each day, it is not possible to segregate all financial responsibility. For these Courts, procedures as identified in the New Mexico Magistrate Court Administrative Procedures Manual 11.4 should be utilized for the verification of the daily deposit.

All mail should be opened, date stamped, and filed daily. All faxes shall be date stamped and filed daily. (New Mexico Magistrate Court Administrative Procedures Manual 3.1)

EFFECT

There is an increase risk of error or fraud when the Court procedures are not followed.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2010**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

09-01 Cash Receipts - Segregation of Duties (Continued)

CAUSE

These Courts have a limited number of personnel; therefore, the same individual occasionally receipts cash, maintains the records and performs the reconciliations. Additionally, it appears as though not remitting outstanding checks to the Administrative Office of the Court's suspense fund is due to the limited time available to locate a payee. Lastly, it appears the court was lacking a date stamp to be utilized.

RECOMMENDATION

We recommend the outstanding check listing should be updated, and reviewed for checks outstanding in excess of six months, which should be properly surrendered to the suspense fund.

We suggest that the individual who receives the receipts not also maintain the records and perform the reconciliations. For those Courts, where the duties cannot be segregated due to a lack of personnel, we recommend that a relationship between this court and another in the same situation be forged such that they each perform verification of the payments received in the mail

MANAGEMENT RESPONSE

Management concurs with this finding. Since the exit conference, the courts affected have implemented a procedure whereby the cash bond report is reviewed and monitored closely. Fiscal services also contacts the courts on a monthly basis in instances where checks are outstanding for more than six months. All checks identified as outstanding over six months for this audit have been resolved.

Since the exit conference, the Questa Circuit has implemented the correct procedure for the logging of payments received by mail. The court manager now initials the log as verification of mail received.

Since the exit conference Chama Circuit Court has implemented the correct procedure of faxing deposit documentation to Espanola Magistrate Court for verification.

Since the exit conference Chama Circuit Court received new date stamps and has begun date stamping all documents placed in the physical case files.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2010**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

10-01 Case File Management

CONDITION

Of the thirteen Magistrate Courts visited, we noted at two Courts that three selected files could not be located upon our request. We also noted at two of the Courts visited information in the file did not agree with information entered into FACTS system to include information from another case entered into the wrong case and an order of appointment was not properly reflected in FACTS.

CRITERIA

The case file should always reflect the current status of the case as it progresses through the judicial process in both the paper file and the FACTS system. The court should have a process to manage the case files to ensure proper safekeeping of the paper files.

EFFECT

Cases could be improperly files as closed when open or improperly filed as open when closed. There is an increase of error or fraud and potential loss of information when case file management processes are not followed or implemented.

CAUSE

The Courts have a limited number of personnel; therefore it is difficult to maintain up to date documentation in the files and to ensure proper case file management.

RECOMMENDATION

We recommend the chief clerk periodically review files to ensure all documentation in the files is captures in FACTs and vice versa. We also recommend the Court implement a process to ensure the safekeeping of all case files.

MANAGEMENT RESPONSE

Management concurs with this finding. Since the exit conference, the courts affected have implemented a procedure whereby: (1) a checkout card is placed in slot original file has been pulled from. In the event a file cannot be located, a file alert is entered in FACTS™.

Since the exit conference management has implemented spot checks of physical case files for accuracy and to ensure docket entries in FACTS™ match contents of physical case files.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2010**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

10-02 Bond Outstanding Over Six Months and Other Bond Issues

CONDITION

Of the thirteen Magistrate Courts visited, we noted at three Courts that three selected files with bonds outstanding did not have proper receipt indicating to whom a bond should be refunded and whether conversion for fines and fees would be permitted. We noted at one of the Courts, that one bond was not properly refunded or forfeited per the six month rule. Further, we noted at one Court, a bond in which the payee permitted the conversion of bond for fines and fees, but the Court had failed to convert the bond.

CRITERIA

Courts shall review all Outstanding Cash Bond Reports monthly to ensure that appropriate action is taken on the related case. Outstanding Bonds shall be refunded, converted, forfeited or sent to the Administrative Office of the Courts suspense fund. All bonds over six months shall be reviewed for disposition. (New Mexico Magistrate Court Administrative Procedures Manual 11.13.G.2.a) Further, action to remove bonds from the cash bond record should be timely. Generally, bonds should be removed from the cash bond record within six months. (New Mexico Magistrate Court Administrative Procedures Manual 11.6.B.1)

When receiving a cash bond, the Criminal Bail Receipt and Cash Bond Conversion book should be used to receipt the bond. (New Mexico Magistrate Court Administrative Procedures Manual 11.6.A.1) The person paying the bond should designate whether he/she agrees to permit the bond money to be converted to pay any fines, fees, or costs the Court may order the defendant to pay after the defendant's release from custody. (New Mexico Magistrate Court Administrative Procedures Manual 11.6.A.1.a)

EFFECT

The bonds over six months have met the criteria to be forfeited or refunded. Follow-up by the clerk could result in additional revenue to the State. Also, the longer a bond is held, the more difficult and time consuming it becomes for clerks to trace the proper disposition of the bond. The court may not know to whom to refund a bond if the receipt documentation is incomplete and potentially refund the bond to the wrong party or convert a bond to pay fines and fees when the party providing the bond did not permit this treatment.

CAUSE

Although the direct cause is unknown, we expect that the reason for noncompliance is due to lack of monitoring of the outstanding bond listing.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2010**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

10-02 Bond Outstanding Over Six Months and Other Bond Issues (Continued)

RECOMMENDATION

We recommend the Administrative Office of the Courts continue to emphasize the need for magistrate clerks to follow-up on the detail bond listing, and continue to give written explanations of bonds which are outstanding in excess of six months. We also recommend the Administrative Office of the Courts emphasize their policy regarding bond receipts.

MANAGEMENT RESPONSE

Management concurs with this finding. Since the exit conference, the affected courts have implemented spot checks for the accurate and proper documentation of bond information. However, management would also like to note that many bond receipts are filled out at the detention facilities and not by the court.

Since the exit conference at Santa Fe Magistrate court, the three cases identified with bonds not refunded or converted have since been resolved.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2010**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

10-03 Mail and Cash Handling

CONDITION

Of the thirteen Magistrate Courts visited, we noted at one court mail that had been received and logged two days prior to our field site visit had not been deposited and mail that had been received the day prior to our field site visit had not been opened, logged, deposited, or kept in a secure area. We also noted in one court cash overages were kept with the change fund and not deposited.

CRITERIA

Checks and money orders received through the mail should be processed on the day they are received. Any exceptions are to be brought to the attention of a supervisor, placed in a locked area and processed on the next business day. (New Mexico Magistrate Court Administrative Procedures Manual 12.a).

A supervisor should verify cash boxes and report overages or shortages to the Judicial Manager and the Accounting Department immediately. Overages and shortages must be handled separately, never combined or netted together to balance. A Financial Control Form must be completed and signed by the responsible cashier explaining the events that occurred and turned in to the appropriate supervisor with the Daily Cash Receipt Log and Banking Report. (New Mexico Magistrate Court Administrative Procedures Manual 11.a) Further, when overages occur, the overages amount collected must be receipted and deposited with regular daily deposits. (New Mexico Magistrate Court Administrative Procedures Manual 11.5.C.1)

EFFECT

There is increased risk of theft, error or fraud.

CAUSE

Although the direct cause is unknown, we expect that the reason for noncompliance is due to lack of monitoring by supervisors.

RECOMMENDATION

We recommend supervisors monitor and implement all procedures as outlined in the New Mexico Magistrate Court Administrative Procedures Manual to minimize the risk of theft, error or fraud.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2010**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)

10-03 Mail and Cash Handling (Continued)

MANAGEMENT RESPONSE

Management concurs with this finding. Management will revisit the policy and procedures manual with court staff at the Cuba Court to ensure the proper handling of overages and shortages.

Since the exit conference with Santa Fe Magistrate Court, the court has made a great improvement in the opening of mail, processing payments in FACTS™ and ensuring deposits are taken to the bank on a daily basis.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE COURTS
EXIT CONFERENCE
Year Ended June 30, 2010**

We discussed the recommendations contained in this letter during the exit conference held December 13, 2010. The exit conference was attended by the following individuals:

Administrative Office of the Courts

Honorable Charles W. Daniels	Chief Justice of the New Mexico Supreme Court
Arthur Pepin	Deputy Director, Administrative Office of the Courts
Oscar Arevalo	Director, Fiscal Services Division Administrative Office of the Courts
Lydia Romero	Asst. Director, Fiscal Services Division, Administrative Office of the Courts
Karen Janes	Director, Magistrate Court Division, Administrative Office of the Courts
Marie Salazar	Financial Supervisor, Administrative Office of the Courts
Olga Solano	Internal Auditor, Administrative Office of the Courts
Charlene Romero	Internal Auditor, Administrative Office of the Courts

Moss Adams LLP

Larry Carmony	Partner
Maria Carrillo	Senior