



# NEW MEXICO JUDICIARY

STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
FINANCIAL STATEMENTS  
JUNE 30, 2013

PREPARED BY: CFO, ADMINISTRATIVE OFFICE OF THE COURTS

**Cover: A few of New Mexico's older county courthouses.**

**Top, left to right:**

One of the WPA projects of the 30s, the Art Deco-style Roosevelt County Courthouse in Portales was built in 1939 with the designs of William M. Bickel.

The Luna County Courthouse in Deming was built in 1910 and was designed by W. E. Corwin. Deming's annual duck race takes place across the street in the city park.

Built in 1909, the Union County Courthouse in Clayton is New Mexico's oldest county courthouse in continuous use. It was designed by the architectural firm of D. P. Kaufman & Son.

**Middle, left to right:**

The Grant County Courthouse in Silver City was erected in 1930 with the designs of architect George Williamson.

The Chaves County Beaux-Arts-style courthouse in Roswell was completed in 1912, the year New Mexico became a state. It is just down the street from the International UFO Museum and the green dome is visible throughout the city.

The Mission-style Eddy County courthouse in Carlsbad was erected in 1891 and its appearance was altered to its current style in 1939. It has one of New Mexico's best town squares.

**Bottom, left to right:**

The Hidalgo County Courthouse in Lordsburg was built in 1926-1927 with Classical Revival elements. The firm of Thorman and Frazer designed it.

The Guadalupe County Courthouse in Santa Rosa was built in 1909 with Romanesque Revival elements. In 1946 an addition was added to the building's left.

The 1917 Rio Arriba County Courthouse in Tierra Amarilla hosted a shoot-out in the 1970s that resulted over a land rights quarrel.

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

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**ADMINISTRATIVE OFFICE OF THE COURTS**

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ADMINISTRATIVE OFFICE OF THE COURTS**

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

**Official Roster**

**June 30, 2013**

**ADMINISTRATIVE OFFICIALS**

<b>Name</b>	<b>Title</b>
Honorable Petra J. Maes	Chairperson
Arthur W. Pepin	Director
Patrick J. Simpson	Deputy Director
Oscar J. Arevalo	Director of Fiscal Services
Lynette Pulman-Rodriguez	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 AUDITOR'S REPORT**

Hector H. Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico and  
Honorable Petra J. Maes, Chairperson  
Administrative Office of the Courts  
Santa Fe, New Mexico

**Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, 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, 2013, and the related notes to the financial statements which collectively comprise the AOC's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the AOC nonmajor governmental and all nonmajor funds presented as supplementary information as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

**Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the AOC as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and the major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the AOC as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 to 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

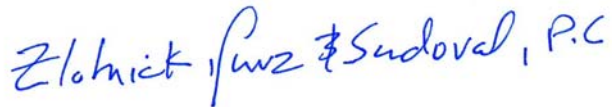
Our audit was conducted for the purpose of forming opinions on the AOC's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the supplementary information listed on the table of contents and other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of federal awards and other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures and the supplementary information listed on the table of contents and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated December 9, 2013 on our consideration of the AOC's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the AOC's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Zlotnick, Laws & Sandoval, P.C." The signature is written in a cursive, flowing style.

Zlotnick, Laws & Sandoval, P.C.  
December 9, 2013

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

**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.

The AOC exists to enable the courts of New Mexico to accomplish their mission through:

- Ensuring that the courts have adequate, equitably distributed resources;
- Ensuring that the courts have and use current technology;
- Providing a fair and equitable statewide human resources system;
- Developing and implementing improved court processes and supporting courts in their use;
- Collecting and providing information on and for the courts managing and accounting for the collection of revenue
- Ensuring sound financial, budgeting and procurement practices in the management of court resources
- Provide administrative support for the Magistrate Courts; and
- Maintain liaison with the Legislative and Executive branches of state government

The AOC participates in 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 its respective programs. Below is a brief description of each activity.

**Administrative Support Program:**

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

Judicial Performance Evaluation – Appointed commission members are vested with the responsibility of evaluating judges who stand for retention and publishing and distributing 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.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
June 30, 2013**

Jury and Witness – This activity administers the payment of jurors, interpreters, and witness and administers sub-activities related to jurors and interpreters. This fund is also used to pay for interpreter certification workshop instructors.

Federal Grants Administration – The AOC administered 17 grants throughout FY2013 that include the following: (4) U.S. Department of Justice Awards of which three were Congressionally-Mandated Awards for Drug Courts; U.S. Department of Transportation (2) pass-through from the State of New Mexico Department of Transportation for DWI Drug Court Expansion; U. S. Department of Health and Human Services, (2) State Court Improvement Program basic initiatives, (2) Court Improvement Data Sharing Program, (2) 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) Language Access, (1) Comparative Workload Study, and (1) Interactive Forms project.

**Statewide Judiciary Automation Program:**

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

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

Municipal Court Automation – Administers a fee-based special fund to assist with purchasing, implementing and maintaining court automation systems for participating municipalities.

Case Management Implementation – Purchases, implements and maintains the new statewide case management system for all state courts.

**Magistrate Court Program:**

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

Warrant Enforcement – Provides 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 – Administers voluntary civil mediation programs in the Magistrate Courts.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
June 30, 2013**

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

Video Arraignment, Security and Facilities – Equips, secures and leases 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.

**Special Court Services Program:**

Court Appointed Special Advocate (CASA) – Supports 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 – Provides 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.

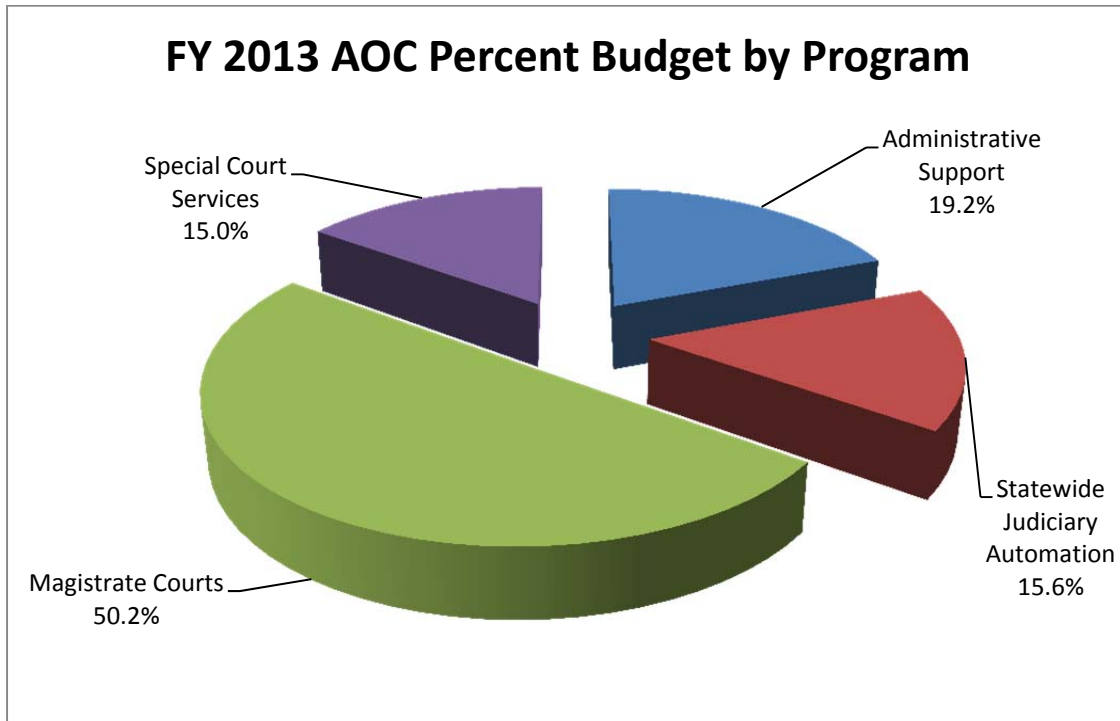
Court Appointed Attorney – Administers a program that provides legal representation to clients, treatment guardians and to appoint special commissioners. These funds are paid to attorneys by the AOC on behalf of district courts statewide.

Water Rights Adjudication – Provides staff and judges pro tempore to aid with the stream adjudication cases in the 3<sup>rd</sup>, 11<sup>th</sup> and 5<sup>th</sup> 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, 2013**



**HIGHLIGHTS**

**Financial Highlights:**

- The Statewide General Fund recurring revenue increase for FY2013 was a total of 3.8%. This was attributed to increased statewide general fund revenue as a result of improvement in national and state economic conditions.
- Pursuant to Laws of 2012 Chapter 19, Section 4, AOC's FY2013 General Fund appropriation was increased by 6.3% also due to increased general fund revenues for the State. The national financial market improvement provided increases in State revenues.
- Federal revenue to the AOC increased by 7.9% to \$1,608,789 in FY2013 as compared to \$1,490,887 in FY2012 mainly attributable to the increase of expenditures of multi-year awards.
- Overall revenue increased by 4.0% in FY2013 as compared to FY2012. This was largely attributable to an increase in federal revenue and case filings statewide.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
June 30, 2013**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

**Government-Wide Financial Statements (Statement of Net Position 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 Position 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.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
June 30, 2013**

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.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	<u>June 30</u>	
	<u>2013</u>	<u>2012</u>
<b><u>Statement of Net Position</u></b>		
<u>Government Activities</u>		
Current and other assets	<b><u>\$12,932,608</u></b>	<u>12,174,211</u>
Current liabilities	<b><u>\$ 4,570,778</u></b>	<u>4,232,922</u>
Net Position		
Restricted	<b><u>\$ 7,107,931</u></b>	<u>9,142,403</u>
Unrestricted	<b><u>1,253,899</u></b>	<u>(1,201,114)</u>
<b>Total net position</b>	<b><u>\$ 8,361,830</u></b>	<u>7,941,289</u>

For more detailed information see the Net Position.

The change to assets, liabilities and net position 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 year ending June 30:

	<b><u>Government Activities</u></b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
<u>General Revenues</u>		
State General Fund appropriations	<b>\$ 42,043,500</b>	39,423,500
Transfers from other agencies	<b>2,636,319</b>	2,988,426
Bond proceeds appropriations	<b>373,649</b>	429,401
Transfers from other governments	<b>37,368</b>	35,836
Reversions to the State General Fund	<b><u>(64,537)</u></b>	<u>(184,263)</u>
	<b><u>\$ 45,026,299</u></b>	<u>42,692,900</u>

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
June 30, 2013**

	<b><u>Government Activities</u></b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
<b><u>Program Revenues</u></b>		
Charges for services	\$ 11,330,155	11,415,122
Operating grants	<u>1,608,789</u>	<u>1,490,887</u>
	<u>12,938,944</u>	<u>12,906,009</u>
<b><u>Program Expenses</u></b>		
Judicial services	55,935,911	54,387,806
Operating grants	<u>1,608,789</u>	<u>1,498,241</u>
	<u>57,544,700</u>	<u>55,886,047</u>
Change in net position	420,543	(287,138)
Net position, beginning	<u>7,941,289</u>	<u>8,228,427</u>
Net position, ending	<u>\$ 8,361,830</u>	<u>7,941,289</u>

The FY2013 final approved operating budget for the AOC was a 7.4% increase compared to FY2012. The increase was primarily attributable to improved general fund increases as part of overall state and national economic improvements.

**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 Finances and Administration (DFA). Over the course of the year, the AOC revised its budget several times. These budget amendments fall into two categories:

- Increases from federal awards unknown at the time of original budget submission;
- Increases or reallocations of appropriations to prevent budget overruns; and



**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
June 30, 2013**

**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 fund balances did not change significantly as they are budgeted to operate at about break even. The exception to this was the Supreme Court Automation Fund (SCAF) and the Metropolitan and Magistrate Court Capital Fund. SCAF decreased by (\$188,523) because of an increase in spending with the continuation of implementation of the Statewide Court Case Management System (Odyssey), and the Capital fund decreased by (\$14,182) due to declining fee collection revenues and rebates due back to the AOC from the New Mexico Finance Authority. Another exception was an increase of \$1,338,015 in the Statewide Drug Court Technology Fund due to a special appropriations made to the AOC during the 2013 Legislative session for use in FY13, FY14 and FY15. 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 an increase in its general fund revenues in FY 2014. The state's general fund revenue has improved mainly due to increases in oil and gas revenues. AOC began FY 2013 with recurring General Fund revenue of \$ 40,678,500 and finished with \$42,443,500 due to special and supplemental appropriations at year end. During the 2012 Legislative Session, which sets the operating budget for FY 2014, the AOC's recurring General Fund appropriations were increased to \$ 43,354,500 a total increase of \$ 2,425,800 (6.6%) from original FY 2013 recurring General Fund appropriation.

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 declined. Therefore, the revenue generated from fee collections are expected to decline. Fund balances in funds used to operate core functions within the AOC decreased by (\$731,421) in FY 2013. This was due to increases in expenditures and decrease in fee collection revenues. The AOC does not anticipate any significant increase in case filings in the immediate future and therefore will continue to request additional general fund increases in the near future to cover this revenue shortfall.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
June 30, 2013**

**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 Chief Financial Officer in room 28 of the Supreme Court Building, 237 Don Gaspar, Santa Fe, New Mexico 87501.

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
STATEMENT OF NET POSITION  
June 30, 2013**

	Governmental Activities
<b>ASSETS</b>	
Interest in SGFIP	\$ 11,215,794
Other cash	5,776
Other receivables	167,574
Due from agency funds	844,509
Due from other State agencies	325,786
Due from Federal government	373,169
<b>Total assets</b>	<u>12,932,608</u>
<b>LIABILITIES</b>	
Vouchers payable	2,608,368
Payroll benefits payable	176,821
Payroll taxes payable	109,082
Accrued payroll	267,290
Due to other State agencies	52,506
Due to State General Fund	64,752
Other liabilities	1,755
Compensated absences	1,290,204
<b>Total liabilities</b>	<u>4,570,778</u>
<b>NET POSITION</b>	
Restricted	7,107,931
Unrestricted	1,253,899
<b>Total net position</b>	<u><u>\$ 8,361,830</u></u>

*See Notes to Financial Statements.*

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2013**

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants	Revenue and Changes in Net Position
				Governmental Activities
Governmental Activities				
General Operations	\$ 35,181,954	1,022	-	(35,180,932)
Jury and Witness Program	3,992,000	-	-	(3,992,000)
Court Appointed Attorney Program	4,550,981	-	-	(4,550,981)
Court Automation Fees	5,526,738	5,400,128	-	(126,610)
Bench Warrant Fees	3,028,072	3,318,544	-	290,472
Magistrate Court Operations	495,381	535,021	-	39,640
Magistrate Mediation Fees	71,583	92,960	-	21,377
Drug Court Fees and Photo Enforcement	82,242	12,849	-	(69,393)
Jury Demand and Penalty Assess Fees	2,996,033	1,969,514	-	(1,026,519)
E-Filing Services	-	117	-	117
* Federal Grants	1,607,038	-	1,608,789	1,751
Miscellaneous Administrative Expenses (*Detail of Federal Grants may be found in the Schedule of Expenditures of Federal Awards on page 89 in the Supplemental Information Section)	12,678	-	-	(12,678)
<b>Total governmental activities</b>	<b>\$ 57,544,700</b>	<b>11,330,155</b>	<b>1,608,789</b>	<b>(44,605,756)</b>
General Revenues				
General fund appropriations				\$ 42,043,500
Transfers from other agencies				2,636,319
Transfers - Bond proceeds appropriations				373,649
Transfer from other governments				37,368
Reversion to State General Fund				(64,537)
<b>Total general revenues</b>				<b>45,026,299</b>
<b>Changes in net position</b>				<b>420,543</b>
Net position, beginning				7,941,287
<b>Net position, ending</b>				<b>\$ 8,361,830</b>

See Notes to Financial Statements.

## **FUNDS FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013**

	General 13900	JID Supreme Court Automation 01100	Jury and Witness Fees 01200	Court Appointed Attorney 12400	JID Statewide Automated Bond 27300
<b>ASSETS</b>					
Current Assets					
Interest in SGFIP	\$ 286,167	750,464	297,975	493,883	1,367,950
Other Cash	5,776	-	-	-	-
Receivables	34	17,897	-	-	-
Due from agency funds	-	496,656	-	-	-
Due from other funds	-	-	-	-	-
Due from other state agencies	348	-	-	-	-
Due from Federal Government	-	-	-	-	-
<b>Total assets</b>	<b>\$ 292,325</b>	<b>1,265,017</b>	<b>297,975</b>	<b>493,883</b>	<b>1,367,950</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities					
Deficit cash balance	\$ -	-	-	-	-
Vouchers Payable	136,206	378,587	789,691	466,552	161,862
Payroll Benefits Payable	20,790	10,349	1,551	951	-
Payroll Taxes Payable	14,726	7,415	755	739	-
Accrued Payroll	37,995	17,035	2,285	1,722	-
Other Liabilities	-	202	382	-	-
Due to other funds	14,183	1,571	-	-	-
Due to other state agencies	52,506	-	-	-	-
Due to State General Fund	15,919	-	-	23,919	-
<b>Total liabilities</b>	<b>292,325</b>	<b>415,159</b>	<b>794,664</b>	<b>493,883</b>	<b>161,862</b>
<b>FUND BALANCES</b>					
Restricted	-	849,857	(496,689)	-	-
Committed	-	-	-	-	1,206,088
<b>Total fund balances</b>	<b>-</b>	<b>849,857</b>	<b>(496,689)</b>	<b>-</b>	<b>1,206,088</b>
<b>Total liabilities and fund balances</b>	<b>\$ 292,325</b>	<b>1,265,016</b>	<b>297,975</b>	<b>493,883</b>	<b>1,367,950</b>

*See Notes to Financial Statements.*

Statewide Drug Court Technology 44300	Grant 49500	Special Water Rights Adjudication 51200	Magistrate Court Warrant Enforcement 57500	Magistrate Court 69200	STB Capital Outlay 89200	Non-Major Governmental Funds	Total Governmental Funds
\$ 1,365,000	-	2,004,208	2,503,043	479,465	-	2,292,078	11,840,233
-	-	-	-	-	-	-	5,776
-	144,240	-	-	1,974	-	3,429	167,574
-	-	-	282,888	-	-	64,965	844,509
-	-	-	49,326	-	-	37,475	86,801
-	-	-	1	-	325,432	5	325,786
-	373,169	-	-	-	-	-	373,169
<b>1,365,000</b>	<b>517,409</b>	<b>2,004,208</b>	<b>2,835,258</b>	<b>481,439</b>	<b>325,432</b>	<b>2,397,952</b>	<b>13,643,848</b>

\$ -	431,882	-	-	-	192,557	-	624,439
26,985	74,341	34,230	23,403	73,496	132,875	310,140	2,608,368
-	2,926	-	17,908	106,441	-	15,905	176,821
-	1,468	-	9,099	65,542	-	9,338	109,082
-	3,776	-	23,968	156,967	-	23,542	267,290
-	896	-	275	-	-	-	1,755
-	-	-	-	71,047	-	-	86,801
-	-	-	-	-	-	-	52,506
-	-	-	-	7,947	-	16,967	64,752
<b>26,985</b>	<b>515,289</b>	<b>34,230</b>	<b>74,653</b>	<b>481,440</b>	<b>325,432</b>	<b>375,892</b>	<b>3,991,814</b>

	2,120	1,969,978	2,760,605	-	-	2,022,060	7,107,931
<b>1,338,015</b>	-	-	-	-	-	-	<b>2,544,103</b>
<b>1,338,015</b>	<b>2,120</b>	<b>1,969,978</b>	<b>2,760,605</b>	<b>-</b>	<b>-</b>	<b>2,022,060</b>	<b>9,652,034</b>
<b>\$ 1,365,000</b>	<b>517,409</b>	<b>2,004,208</b>	<b>2,835,258</b>	<b>481,440</b>	<b>325,432</b>	<b>2,397,952</b>	<b>13,643,848</b>



**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2013**

Fund balances - total governmental funds \$ 9,652,034

Amounts reported for governmental activities in the  
Statement of Net Position are different because

Compensated absences (1,290,204)

**Net Position of Governmental Activities** \$ 8,361,830

*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  
Year Ended June 30, 2013**

	General 13900	JID Supreme Court Automation 01100	Jury and Witness Fees 01200	Court Appointed Attorney 12400	JID Statewide Automated Bond 27300
<b>REVENUES</b>					
Charges for services	\$ -	4,605,983	1,969,514	-	-
Grants	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>4,605,983</b>	<b>1,969,514</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>					
Judicial					
Current:					
Personal services	2,367,101	1,411,390	174,447	68,820	-
Employee benefits	792,652	475,657	61,403	21,170	-
Contractual services	1,079,660	1,124,669	61,657	4,453,991	2,435
In-state travel	39,667	50,182	14,092	-	-
Maintenance and repairs	1,010	159,131	-	-	39,653
Supplies	25,121	269,567	6,785	-	572,388
Operating costs	154,686	1,100,315	2,955,565	619	14,922
Other costs	1,417	12,158	3,712,941	6,381	-
Out-of-state travel	8,138	6,577	1,143	-	-
Capital Outlay	-	184,860	-	-	418,284
<b>Total expenditures</b>	<b>4,469,452</b>	<b>4,794,506</b>	<b>6,988,033</b>	<b>4,550,981</b>	<b>1,047,682</b>
Excess (deficiency) of revenues over expenditures	(4,469,452)	(188,523)	(5,018,519)	(4,550,981)	(1,047,682)
<b>OTHER FINANCING SOURCES AND (USES)</b>					
General fund appropriations	6,147,300	-	3,992,000	4,574,900	-
Transfers from other agencies	500,000	-	-	-	828,000
Transfers - Bond proceeds appropriations	-	-	-	-	-
Transfers to other agencies	(2,161,970)	-	-	-	-
Transfer from other governments	-	-	-	-	-
Reversions	(15,878)	-	-	(23,919)	-
<b>Total other financing sources and (uses)</b>	<b>4,469,452</b>	<b>-</b>	<b>3,992,000</b>	<b>4,550,981</b>	<b>828,000</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(188,523)</b>	<b>(1,026,519)</b>	<b>-</b>	<b>(219,682)</b>
Fund balances, beginning	-	1,038,380	529,830	-	1,425,770
<b>Fund balances, ending</b>	<b>\$ -</b>	<b>849,857</b>	<b>(496,689)</b>	<b>-</b>	<b>1,206,088</b>

See Notes to Financial Statements.

Statewide Drug Court Technology 44300	Grant 49500	Special Water Rights Adjudication 51200	Magistrate Court Warrant Enforcement 57500	Magistrate Court 69200	STB Capital Outlay 89200	Non-Major Governmental Funds	Total Governmental Funds
\$ -	-	-	3,318,544	992	-	1,435,122	11,330,155
-	1,608,789	-	-	-	-	-	1,608,789
-	1,608,789	-	3,318,544	992	-	1,435,122	12,938,944
-	303,911	-	1,565,985	12,052,965	-	1,975,345	19,919,964
-	116,273	-	687,701	4,290,203	-	645,341	7,090,400
-	1,057,511	255,828	82,571	39,853	-	327,648	8,485,823
-	21,765	481	71,869	91,586	-	28,262	317,904
-	-	-	1,529	34,232	57,849	682	294,086
26,985	46,140	502	55,564	224,102	22,198	81,937	1,331,289
-	49,869	1,233	496,627	6,822,714	7,373	857,905	12,461,828
-	15,364	-	48,686	6,732	-	549,517	4,353,196
-	-	-	17,540	-	-	332	33,730
-	8,882	-	-	26,800	286,229	-	925,055
26,985	1,619,715	258,044	3,028,072	23,589,187	373,649	4,466,969	55,213,275
(26,985)	(10,926)	(258,044)	290,472	(23,588,195)	(373,649)	(3,031,847)	(42,274,331)
1,365,000	-	-	-	23,158,600	-	2,805,700	42,043,500
-	-	608,319	-	400,000	-	300,000	2,636,319
-	-	-	-	-	373,649	-	373,649
-	-	(93,411)	-	-	-	-	(2,255,381)
-	-	-	-	37,368	-	-	37,368
-	-	-	-	(7,773)	-	(16,967)	(64,537)
1,365,000	-	514,908	-	23,588,195	373,649	3,088,733	42,770,918
1,338,015	(10,926)	256,864	290,472	-	-	56,886	496,587
-	13,046	1,713,114	2,470,133	-	-	1,965,174	9,155,447
\$ 1,338,015	2,120	1,969,978	2,760,605	-	-	2,022,060	9,652,034

**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, 2013**

Net change in fund balances - total governmental funds	\$ 496,587
<p>Amounts reported for governmental activities in the Statement of Activities are different because of</p>	
Change in compensated absences	<u>(76,044)</u>
<b>Change in net position of governmental activities</b>	<b><u><u>\$ 420,543</u></u></b>

*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, 2013**

	General Fund (13900)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
State General Fund appropriations	\$ 6,147,300	6,147,300	6,147,300	-
Other financing sources	500,000	500,000	500,000	-
Miscellaneous revenues	-	-	-	-
Reversions	-	-	(15,878)	(15,878)
<b>Total revenues</b>	<b>6,647,300</b>	<b>6,647,300</b>	<b>6,631,422</b>	<b>(15,878)</b>
<b>Expenditures - All Organizations</b>				
Personal services	3,141,500	3,165,700	3,159,753	5,947
Contractual services	1,119,200	1,080,800	1,079,660	1,140
Other costs	224,600	238,800	230,039	8,761
Other financing uses	2,162,000	2,162,000	2,161,970	30
<b>Total expenditures</b>	<b>\$ 6,647,300</b>	<b>6,647,300</b>	<b>6,631,422</b>	<b>15,878</b>
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, 2013

	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	4,840,400	4,840,400	4,605,983	(234,417)
<b>Total revenues</b>	<u>4,840,400</u>	<u>4,840,400</u>	<u>4,605,983</u>	<u>(234,417)</u>
Fund balance carryforward				
Total	<u>584,400</u>	<u>854,400</u>		
Expenditures				
Personal services	2,198,900	2,198,900	1,887,047	311,853
Contractual services	1,066,200	1,495,839	1,124,669	371,170
Other costs	2,159,700	2,000,061	1,782,790	217,271
Other financing uses	-	-	-	-
<b>Total expenditures</b>	<u>\$ 5,424,800</u>	<u>5,694,800</u>	<u>4,794,506</u>	<u>900,294</u>
Excess of revenues and other financing sources over expenditures and other financing uses			(188,523)	

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, 2013

	Jury and Witness Fee Fund (01200)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	\$ 3,992,000	3,992,000	3,992,000	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
Miscellaneous revenues	2,025,000	2,025,000	1,969,514	(55,486)
<b>Total revenues</b>	<u>6,017,000</u>	<u>6,017,000</u>	<u>5,961,514</u>	<u>(55,486)</u>
Fund balance carryforward		529,800		
Total		<u>6,546,800</u>		
Expenditures				
Personal services	205,000	236,000	235,850	150
Contractual services	265,500	72,900	61,657	11,243
Other costs	5,546,500	6,237,900	6,123,330	114,570
Other financing uses	-	-	-	-
<b>Total expenditures</b>	<u>\$ 6,017,000</u>	<u>6,546,800</u>	<u>6,420,837</u>	<u>125,963</u>
Excess of revenues and other financing sources over expenditures and other financing uses			\$ (459,323)	
FY13 expenditures paid with FY14 funds			<u>(567,196)</u>	
Net change in fund balance			<u>\$ (1,026,519)</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)  
Court Appointed Attorney (12400)  
Year Ended June 30, 2013

	Court Appointed Attorney (12400)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	\$ 4,574,900	4,574,900	4,574,900	-
Reversions	-	-	(23,919)	(23,919)
<b>Total Revenues</b>	<b>4,574,900</b>	<b>4,574,900</b>	<b>4,550,981</b>	<b>(23,919)</b>
Expenditures				
Personal services	90,500	90,500	89,990	510
Contractual services	4,477,400	4,477,400	4,453,991	23,409
Other costs	7,000	7,000	7,000	-
Other financing uses	-	-	-	-
<b>Total expenditures</b>	<b>\$ 4,574,900</b>	<b>4,574,900</b>	<b>4,550,981</b>	<b>23,919</b>
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, 2013**

	JID Statewide Automation (27300)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
State General Fund appropriations	\$ -	500,000	500,000	-
Other financing sources	828,000	1,782,000	1,782,000	-
Reversions	-	-	-	-
Fund balance	-	-	-	-
<b>Total revenues</b>	<b>828,000</b>	<b>2,282,000</b>	<b>2,282,000</b>	<b>-</b>
<b>Expenditures</b>				
Personal Services	-	-	-	-
Contractual services	515,000	819,000	2,435	816,565
Other Costs	313,000	1,463,000	1,045,247	417,753
Other financing uses	-	-	-	-
<b>Total expenditures</b>	<b>\$ 828,000</b>	<b>2,282,000</b>	<b>1,047,682</b>	<b>1,234,318</b>
Excess of revenues and other financing sources over expenditures and other financing uses			\$ 1,234,318	
Expended in FY2012			<u>(28,230)</u>	
Fund balance carryforward			<u>\$ 1,206,088</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)**  
**Statewide Drug Court Technology (44300)**  
**Year Ended June 30, 2013**

	Statewide Drug Court Technology (44300)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	\$ 1,365,000	1,365,000	1,365,000	-
<b>Total revenues</b>	<b>1,365,000</b>	<b>1,365,000</b>	<b>1,365,000</b>	<b>-</b>
Expenditures				
Personal services	-	-	-	-
Contractual services	-	-	-	-
Other costs	1,365,000	1,365,000	26,985	1,338,015
Other financing uses	-	-	-	-
<b>Total expenditures</b>	<b>\$ 1,365,000</b>	<b>1,365,000</b>	<b>26,985</b>	<b>1,338,015</b>
Excess of revenues and other financing sources over expenditures and other financing uses			\$ 1,338,015	

*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, 2013**

	Grant Fund (49500)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Federal Grants	\$ 966,100	1,698,496	1,102,563	(595,933)
Intra-State Wts-Fed Grants	619,400	660,515	506,226	(154,289)
Miscellaneous Revenue	-	-	-	-
<b>Total revenues</b>	<u>1,585,500</u>	<u>2,359,011</u>	<u>1,608,789</u>	<u>(750,222)</u>
Expenditures				
Personal Services	125,000	550,706	420,184	130,522
Contractual services	1,104,200	1,590,193	1,057,511	532,682
Other Costs	356,300	218,112	142,020	76,092
Other financing uses	-	-	-	-
<b>Total Expenditures</b>	<u>\$ 1,585,500</u>	<u>2,359,011</u>	<u>1,619,715</u>	<u>739,296</u>
Excess of revenues and other financing sources over expenditures and other financing uses			\$ (10,926)	

*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)  
Water Rights Adjudications (51200)  
Year Ended June 30, 2013**

	Water Rights Adjudication Fund (51200)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Miscellaneous revenues	\$ -	-	-	-
Reversions	-	-	-	-
Other financing sources	440,000	440,000	608,319	168,319
<b>Total revenues</b>	<b>440,000</b>	<b>440,000</b>	<b>608,319</b>	<b>168,319</b>
<b>Expenditures</b>				
Personal Services	-	-	-	-
Contractual services	318,800	313,800	255,828	57,972
Other Costs	-	5,000	2,216	2,784
Other financing uses	121,200	121,200	93,411	27,789
<b>Total expenditures</b>	<b>\$ 440,000</b>	<b>440,000</b>	<b>351,455</b>	<b>88,545</b>
Excess of revenues and other financing sources over expenditures and other financing uses			\$ 256,864	

*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, 2013

	Magistrate Court Warrant Enforcement Fund (57500)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Miscellaneous revenues	\$ 3,205,700	3,205,700	3,318,544	112,844
Reversions	-	-	-	-
Other financing sources	-	-	-	-
<b>Total revenues</b>	<u>3,205,700</u>	<u>3,205,700</u>	<u>3,318,544</u>	<u>112,844</u>
Fund balance carryforward		500,000		
Total		<u>3,705,700</u>		
Expenditures				
Personal Services	2,404,400	2,404,400	2,253,686	150,714
Contractual services	145,900	145,900	82,571	63,329
Other Costs	655,400	1,155,400	691,815	463,585
<b>Total expenditures</b>	<u>\$ 3,205,700</u>	<u>3,705,700</u>	<u>3,028,072</u>	<u>677,628</u>
Excess of revenues and other financing sources over expenditures and other financing uses			\$ 290,472	

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, 2013

	Magistrate Court Fund (69200)			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Misc Revenue	\$ -	-	992	992
State General Fund appropriations	23,158,600	23,558,600	23,558,600	-
Other financing sources	-	37,368	37,368	-
Other Services	-	-	-	-
Reversion	-	-	(7,773)	(7,773)
<b>Total revenues</b>	<b>23,158,600</b>	<b>23,595,968</b>	<b>23,589,187</b>	<b>(6,781)</b>
Expenditures				
Personal services	17,075,800	16,343,168	16,343,168	-
Contractual services	40,200	40,200	39,853	347
Other costs	6,042,600	7,212,600	7,206,166	6,434
Other financing uses	-	-	-	-
<b>Total expenditures</b>	<b>\$ 23,158,600</b>	<b>23,595,968</b>	<b>23,589,187</b>	<b>6,781</b>
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)  
 STB Capital Outlay (89200)  
 Year Ended June 30, 2013

	<b>STB Capital Outlay (89200)</b>			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Misc Revenue	\$ -	-	-	-
Severance Tax Bond Appropriations	2,032,000	2,032,000	1,461,271	(570,729)
Other financing sources	-	-	-	-
Other Services	-	-	-	-
Reversion	-	-	-	-
<b>Total revenues</b>	<u>2,032,000</u>	<u>2,032,000</u>	<u>1,461,271</u>	<u>(570,729)</u>
Expenditures				
Personal services	-	-	-	-
Contractual services	-	-	-	-
Other costs	2,032,000	2,032,000	373,649	1,658,351
Other financing uses	-	-	-	-
<b>Total expenditures</b>	<u>\$ 2,032,000</u>	<u>2,032,000</u>	<u>373,649</u>	<u>1,658,351</u>
Excess of revenues and other financing sources over expenditures and other financing uses			\$ 1,087,622	
Expended in prior fiscal years			<u>(1,087,622)</u>	
Fund balance carryforward			<u>\$ -</u>	

See Notes to Financial Statements.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND  
June 30, 2013**

	Agency Fund
<b>ASSETS</b>	
Cash	<u>\$ 6,033,228</u>
<b>Total assets</b>	<u>\$ 6,033,228</u>
<b>LIABILITIES</b>	
Deposits held for others	\$ 2,535,465
Due to other agencies	<u>3,497,763</u>
<b>Total liabilities</b>	<u>\$ 6,033,228</u>

*See Notes to Financial Statements.*



## **NOTES TO FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**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 use of direct shipping from office supply vendors to the various magistrate courts.

Budgeting for the district courts.

Supervising of the State's forty-nine 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 AOC is a component unit of the Judicial Branch and these financial statements include all funds and activities over which the AOC has oversight responsibility. The AOC has decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The AOC is part of the primary government of the State of New Mexico and its financial data should be included with the financial data of the State. However, New Mexico does not at present issue an audited Comprehensive Annual Financial Reporting inclusive of all agencies of the primary government. The AOC has no component units that are required to be reported in its financial statements.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**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.

**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 Position, 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, receivables and deferred outflows of resources as well as long-term liabilities, deferred inflows of resources and obligations. The government wide financial statements do not include fiduciary funds or component units.

The government-wide Statement of Activities reflects both the gross and net cost per functional category which otherwise are being supported by general government revenues. The Statement of Activities reduces gross expenses by related program revenues, operating grants 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, 2013**

**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 aggregated 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 and detailed in the supplemental information section.

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 to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government wide statements 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, 2013**

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

**C. Basis of Presentation (Continued)**

GASB 34 sets forth the minimum criteria (a percentage of the assets, liabilities, revenues or expenditures of either the governmental fund category or of the governmental and enterprise funds combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements and detailed in the supplemental information 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. Any balance remaining in this fund at the end of the fiscal year reverts to the State General Fund.

*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.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**C. Basis of Presentation (Continued)**

Fund 01200 - Jury and Witness Fees - Authorized annually by the General Appropriations Act (GAA) (Chapter 355, Laws of 1987) to account for the payment of interpreter, witness and jury expenses (generally travel, per diem and hourly stipends) for the Bernalillo County Metropolitan Court, thirteen district courts and forty-nine magistrate courts. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund. Special language was placed in section four of the 2013 GAA after the Supreme Court appropriation to set juror pay accordingly in order to stay within the annual allotted appropriation of the fund.

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 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. This fund has more recently been used to account for IT equipment or computer systems enhancement funds appropriated. Any unexpended State General Fund appropriations at the end of the fiscal year revert to the State General Fund unless otherwise indicated. Unspent revenues from other sources do not revert, accordingly an ending fund balance is shown for this fund.

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.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**C. Basis of Presentation (Continued)**

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 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.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**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. During FY 2013 the AOC had Severance Tax Bond proceeds in effect from FY 2011, FY 2012 and FY 2013. In FY 2011 the AOC was appropriated \$1,000,000 for Security equipment and infrastructure statewide for use through FY 2014. At the end of FY 2013 the entire amount had been expended. In FY 2012 the AOC was appropriated \$1,032,000 for security and infrastructure for courts statewide for use through FY 2016. At the end of FY 2013 there were \$570,693 balances remaining for this appropriation.

In FY 2013 the AOC was appropriated \$1,000,000 to purchase and install security and other equipment and to make infrastructure improvements at magistrate courts and judicial district courts statewide. As of June 30, 2013, no expenditures had been made.

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 special 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.

Fund 89200 – Severance Tax Bond (STB) Capital Outlay – During FY 2012 the AOC was instructed to use this fund in an effort for the Department of Finance and Administration to establish statewide consistency in tracking all STB Capital Outlay appropriations. This conversion to a statewide fund will allow for better reporting consistency and monitoring of appropriations. All current and future capital appropriations to the AOC will be budgeted in this fund. This fund may not always meet the criteria for a major fund; however, management has determined to present this fund with the major funds to maintain consistency.



**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**C. Basis of Presentation (Continued)**

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

Fund 10790 – Electronic Services Fund – Created by Section 34-1-11 NMSA 1978. The fund consists of electronic services fees collected by the courts and transferred to the AOC. Money in the fund is subject to appropriation by the legislature to the administrative office of the courts for the purpose of defraying the costs of operating and maintaining electronic filing services and providing public access to electronic documents in appellate, district, metropolitan and magistrate courts, consistent with rules promulgated by the Supreme Court. This Fund was not budgeted during FY 2013. Any balance remaining in this fund at the end of the fiscal year does not revert to the State General Fund.

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 1978. 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.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**C. Basis of Presentation (Continued)**

Fund 13600 - Judges Pro-Tempore - 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.

Fund 49600 - Metropolitan and Magistrate Court Capital Fund - 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 58300 - Judicial Performance Evaluation - Established by Section 34-9-18 NMSA 1978. The fund shall consist of appropriations, gifts, grants, donations and bequests made to the fund. Money in the fund is subject to appropriation by the legislature to the administrative office of the courts for the operation and costs of the judicial performance evaluation commission to perform the duties required by the Supreme Court to evaluate appellate, district and metropolitan court judges. Any balances remaining in this fund at the end of the fiscal year 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.

STATE OF NEW MEXICO  
 ADMINISTRATIVE OFFICE OF THE COURTS  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
 (CONTINUED)

C. Basis of Presentation (Continued)

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 that fines and/or fees are owed.

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		
Under section 29-5-1	\$ <u>1.00</u>	State educational institution where Violation occurred Under section 35-6-1
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>	

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**C. Basis of Presentation (Continued)**

Fines and Fees Fund (Continued)

Description	Amount	Beneficiary
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
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
Fees relating to drug courts:		
Drug Court Fee	\$ <u>50.00</u>	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	<u>5.00</u>	Fund 51500-Domestic Violence Offender Treatment
	<u>\$ 67.00</u>	

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**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.

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 unearned revenue by the recipient.

The AOC records fine and fee revenue when received in its agency funds. The AOC records fine and fee revenue when it is collected and deposited into the various magistrate court bank accounts as estimated because these amounts are subject to reconciliation prior to their official recording in the AOC agency funds. In the entity wide statements, amounts collected in the agency funds are recorded as receivables.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**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.
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.

**STATE OF NEW MEXICO  
 ADMINISTRATIVE OFFICE OF THE COURTS  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2013**

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

**E. Budgets and Budgetary Accounting (Continued)**

The budget is adopted on a modified accrual basis of accounting (General Appropriations Act, Laws of 2012, Chapter 19, Section 3, Subsections M) 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 reconciliations for fiscal year 2013 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

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, 2013, over 600 hours. Expenditures for accumulated sick pay for hours under 600 hours will be recognized as employees take such absences.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**F. Compensated Absences (Continued)**

The leave accruals for compensated absences is calculated at employee pay rates in effect on June 30, 2013, 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 (Unearned 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, unearned revenue balances represent an overdraw of cash (advances) in excess of modified accrual basis expenditures. Generally, receivable or unearned 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.

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.



**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

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

**H. Net Position**

The government-wide Statement of Net Position utilizes a net position presentation. Net Position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

*Restricted* – are liquid resources (generated from revenues and not bond proceeds), which have third-party (statutory, bond covenant or granting agency) limitations on their use.

*Unrestricted* – represent unrestricted liquid resources.

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

**I. Fund Balances**

Governmental fund equity is classified as fund balance. Fund balances are classified into spendable and non-spendable classifications. The non-spendable classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The spendable classifications are as follows:

***Restricted Fund Balances***

In the governmental fund financial statements restrictions of fund balance are reported when constraints placed on the use of resources are either: (1) Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. The AOC restricted fund balances at year end were \$7,675,127.

***Committed fund balances***

Committed fund balances consist of amounts which can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Court through policy action). The AOC committed fund balances at year end were \$2,544,103 consisting of multi-year Special and Data Processing appropriations.

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

**I. Fund Balances (Continued)**

***Assigned fund balances***

Assigned fund balances consist of fund balances which are constrained by the government intent to be used for specific purposes, but are neither committed nor restricted. Intent can be expressed by (a) the governing body itself, or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The AOC has no assigned fund balances as of June 30, 2013.

***Unassigned fund balances***

Unassigned fund balances are all other fund balances which have not been assigned to other funds and have not been restricted, committed, or assigned to specific purposes within the general fund. Generally, the policy of the AOC is to first apply committed resources when an expense is incurred for purposes which have committed, assigned, or unassigned fund balances available for use. The AOC has no unassigned fund balances at year end.

**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.

**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.

**STATE OF NEW MEXICO  
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**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 provides 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	\$ 14,551,733
Commercial Bank Balance	2,814,124
Magistrate Change Fund Balance	5,776
Reconciling items	<u>(116,835)</u>
Financial statement balance	<u>\$ 17,254,798</u>

Presented in the financial statements as:

Interest in SGIP	\$ 11,840,233
Other cash	5,776
Deficit cash balance	(624,439)
Agency fund cash	<u>6,033,228</u>
Total cash per financial statement	<u>\$ 17,254,798</u>

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
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June 30, 2013**

**NOTE 3. GENERAL FUND INVESTMENT POOL NOT RECONCILED**

For cash management and investment purposes, funds of various state agencies are deposited in the State General Fund Investment Pool (the Pool), which is managed by the office of the New Mexico State Treasurer. Claims on the Pool are reported as assets by the various agencies investing in the Pool.

In June 2012 an independent expert diagnostic report revealed that the balances have not been reconciled at the “business unit/fund” level since the inception of the Statewide Human resources, Accounting, and management Reporting system (SHARE) system in July of 2006. The Diagnostic reports are available in the Resources section of the Cash Control page of the New Mexico Department of Finance & Administration’s website at: [http://www.nmdfa.state.nm.us/Cash\\_Control.aspx](http://www.nmdfa.state.nm.us/Cash_Control.aspx).

By state statute, the New Mexico Department of Finance and Administration (DFA) is responsible for the performance of monthly reconciliations with the balances and accounts kept by the State Treasurer. Therefore, under the direction of the State Controller / Financial Control Division Director, the Financial Control Division (FCD) of the New Mexico Department of Finance & Administration undertook action to address the situation. DFA/FCD initiated the Cash Management Remediation Project (Remediation Project) in partnership with the Office of the New Mexico State Treasurer, the New Mexico Department of Information Technology, and a contracted third party with expertise in the Enterprise System Software used by the State.

The Remediation Project objective was to design and implement changes necessary to ensure ongoing completion of timely, accurate and comprehensive reconciliation of the Pool. DFA has or is in the process of implementing all the recommendations resulting for the Remediation Project and has made changes to the State’s SHARE System configuration, cash accounting policies and procedures, business practices, and banking structure. This has enabled DFA to complete timely and accurate reconciliation of bank to book balances at the State and Business Unit level on a post-implementation basis, however it did not resolve historical reconciling items. Additional changes recommended by the Project continue to be cascaded through DFA and state agencies to support the Business Unit by Fund accounting requirements.

A plan to address historical reconciling items is being assessed and a separate initiative will need to be undertaken to resolve the historical reconciling items. Management considers it unlikely that this separate initiative will be successful in allocating all historical reconciling items to the State entities invested in the Pool. As a result, any remaining differences post specific allocation to Pool participants will be reported in the State General Fund.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
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June 30, 2013**

**NOTE 3. GENERAL FUND INVESTMENT POOL NOT RECONCILED  
(CONTINUED)**

DFA Management in FY 2012 recorded a loss contingency of \$101.7 million in the State General Fund based on its estimate of the effect of issues related to the reconciliation of the Pool, that estimate is still current. Because no specific loss amount is determinable, consistent with generally accepted accounting principles, the amount accrued is the minimum amount that DFA management considers to be probable. Ultimately, the loss could exceed the amount accrued, perhaps by a substantial amount.

The AOC has 49 bank accounts, one for each Magistrate Court, and a sub-account under the oversight of the State Treasurers Office. The AOC does reconcile all fines, fees and transfers that come into its possession including those receipts that are statutorily mandated to be sent to the state general fund. The cash transactions processed by AOC flow through the state general fund investment pool. Since SHARE was implemented, AOC recognized the statewide cash reconciliation issue and in response, developed internal reconciliation procedures to ensure that cash receipts and disbursements recorded in the SHARE system are in fact transactions that have been initiated by AOC. The reconciliation occurs each month and any required adjustments are forwarded to the Financial Control Division at DFA for correction. Monthly reconciliation procedures throughout the Fiscal Year, include, but are not limited to validation of: allotments, deposits, expenditures, all general entries, operating transfers, payroll expenditures/payroll liabilities by fund, and review of outstanding warrants within the court's statewide case management system. The AOC reports the timely completion of the reconciliation process to Court management monthly and conducts monthly management budget reviews to ensure that all cash deposits and financial transactions are accurately recorded and posted to the SHARE system. This monthly internal reconciliation of cash receipts and disbursements flowing through AOC's share of the state general fund investment pool provides management assurance that the balance reflected in State General Fund Investment Pool account is accurate as of the end of the reporting period. In addition, AOC reconciles other asset and liability accounts on the Balance Sheet of each fund type. This process also provides additional assurance that transactions affecting AOC's share in the State General Fund Investment Pool account are accurate.

**STATE OF NEW MEXICO  
 ADMINISTRATIVE OFFICE OF THE COURTS  
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 June 30, 2013**

**NOTE 4. INTEREST in the GENERAL FUND INVESTMENT POOL**

State law (Section 8-6-3 NMSA 1978) requires the Department's cash be managed by the New Mexico State Treasurer's Office. Accordingly, the investments of the Department consist of an interest in the General Fund Investment Pool managed by the New Mexico State Treasurer's Office.

At June 30, 2013 the AOC had the following cash balances as shown in the Schedule of Cash Accounts:

Total Cash per AOC Books: \$ 17,254,798

Interest Rate Risk - The New Mexico State Treasurer's Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is the means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

Credit risk - The New Mexico State Treasurer pools are not rated.

For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer's Office for the fiscal year ended June 30, 2013.

**NOTE 5. REVERSIONS**

The amounts reverted to the State General Fund and reversion balances due at June 30, 2013 are detailed as follows:

	Reversion Amount	Due at June 30, 2013
Court Appointed Attorney (12400) Reversion - Budget year 2013	\$ 23,919	<u>23,919</u>
General Fund (13900) Reversion - Budget year 2013	<u>15,878</u>	<u>15,878</u>
Judges Pro Tem Fund (13600) Reversion - Budget year 2013	<u>16,967</u>	<u>16,967</u>
Magistrate Courts (69200) Budget year 2013	<u>7,773</u>	<u>7,773</u>
<b>Total reversions</b>	<b>\$ 64,537</b>	<b><u>64,537</u></b>

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
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June 30, 2013**

**NOTE 6. COMPENSATED ABSENCES**

During the year ended June 30, 2013, the following changes occurred in the compensated absence liabilities:

	Balance <u>July 1, 2012</u>	Increase	Decrease	Balance <u>June 30, 2013</u>	Due in <u>one year</u>
Compensated absences	<u>\$1,214,160</u>	1,298,575	<u>(1,222,531)</u>	<u>1,290,204</u>	<u>1,273,637</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 7. OPERATING LEASES**

At June 30, 2013, the AOC is committed under various leases for buildings, magistrate offices, courtroom facilities, copying and postage equipment. These leases are considered operating leases for accounting purposes. Lease expenditures for the year ended June 30, 2013, amounted to \$7,394,695 for buildings and \$282,664 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
2014	\$ 7,451,020	360,770
2015	7,273,823	183,112
2016	6,860,489	166,138
2017	6,586,229	146,578
2018	6,173,899	-
Thereafter	<u>32,296,995</u>	-
	<u>\$ 66,642,455</u>	<u>856,598</u>

**STATE OF NEW MEXICO  
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**NOTE 8. 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](http://www.pera.state.nm.us).

**Funding Policy.** In FY 2013 State General Plan 3 members, of which all non-judicial AOC employee are members, were 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, 2013, 2012, 2011 were \$2,175,834, \$1,911,824 and \$2,139,115, respectively, which equal the amount of the required percentage of payroll 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](http://www.pera.state.nm.us).

**Funding Policy.** For FY 2013 Magistrate Retirement Act plan members were 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 AOC contributed \$463,972 of these fees to PERA for credit 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, 2013, 2012, 2011 were \$311,762, \$257,868 and \$385,323, respectively, which equals the amount of the required percentage of payroll contributions for each fiscal year.



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**NOTE 9. 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](http://www.nmrhca.state.nm.us).

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

**STATE OF NEW MEXICO  
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**NOTE 9. POST-EMPLOYMENT BENEFITS (CONTINUED)**

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended **June 30, 2013**, the statute required each participating employer to contribute **2.0%** of each participating employee's annual salary; each participating employee was required to contribute **1.0%** of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Administrative Office of the Court's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$354,316, \$322,091 and \$298,562, respectively, which equal the required contributions for each year.

**NOTE 10. SPECIFIC AND SUPPLEMENTAL APPROPRIATIONS**

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

**Data Processing Appropriations:**

*Special Appropriation Laws of 2012, Chapter 19, Section 5, Item 2:* The AOC was appropriated \$500,000 to purchase new information technology equipment to support the new case management system in the courts for use in fiscal years 2012 and 2013. As of June 30, 2013, the entire amount had been fully expended.

*Judicial Wide Data Processing Appropriations Laws of 2012, Chapter 19, Section 7, Item 1:* The AOC was appropriated \$700,000 to address disaster recovery and business continuity of the court systems for use in fiscal years 2012, 2013 and 2014. As of June 30, 2013, \$317,651 remained unexpended.

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**NOTE 10. SUPPLEMENTAL AND SPECIFIC APPROPRIATIONS  
(CONTINUED)**

*Judicial Wide Data Processing Appropriations Laws of 2012, Chapter 19, Section 7, Item 2:* The AOC was appropriated \$254,000 to upgrade telecommunication circuits in the judiciary for use in fiscal years 2012, 2013 and 2014. As of June 30, 2013, \$60,437 remained unexpended.

*Judicial Wide Data Processing Appropriations Laws of 2013, Chapter 227, Section 7, Item 1:* The AOC was appropriated \$310,000 to extend the statewide integrated and consolidated case management system with electronic document management and electronic filing to the Bernalillo County Metropolitan Court for use in fiscal years 2013, 2014 and 2015. As of June 30, 2013, no expenditures had been made.

*Judicial Wide Data Processing Appropriations Laws of 2013, Chapter 227, Section 7, Item 2:* The AOC was appropriated \$220,000 to extend the statewide integrated and consolidated case management system with electronic document management and electronic filing to the New Mexico Supreme Court and the New Mexico Court of Appeals for use in fiscal years 2013, 2014 and 2015. As of June 30, 2013, no expenditures had been made.

*Judicial Wide Data Processing Appropriations Laws of 2013, Chapter 227, Section 7, Item 3:* The AOC was appropriated \$298,000 to purchase video equipment for the statewide judicial video arraignment network for use in fiscal years 2013, 2014 and 2015. As of June 30, 2013, no expenditures had been made.

**Capital Outlay Appropriations:**

*Judicial Wide Capital Outlay Appropriations Laws of 2010, Chapter 4, Section 3:* The AOC was appropriated \$1,000,000 for purchasing and installing security equipment, including related infrastructure, at courts statewide. As of June 30, 2013, the entire amount had been fully expended.

*Judicial Wide Capital Outlay Appropriations Laws of 2012, 1<sup>st</sup> special session, Chapter 5, Section 3:* The AOC was appropriated \$1,032,000 for purchasing and installing security equipment, including related infrastructure, at judicial district and magistrate courts statewide. As of June 30, 2013, \$570,693 remained unexpended.

*Judicial Wide Capital Outlay Appropriations Laws of 2013, Chapter 226, Section 4:* The AOC was appropriated \$1,000,000 to purchase and install security and other equipment and to make infrastructure improvements at magistrate courts and judicial district courts statewide. As of June 30, 2013, no expenditures had been made.

**STATE OF NEW MEXICO  
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**NOTE 10. SUPPLEMENTAL AND SPECIFIC APPROPRIATIONS  
(CONTINUED)**

**Special Appropriations:**

*Special Appropriation Laws of 2013, Chapter 227, Section 5, Item 6:* The AOC was appropriated \$1,365,000 to purchase information technology equipment, furnishings and vehicles for eleven district courts. As of June 30, 2013, \$1,338,015 remained unexpended.

**Supplemental Appropriations:**

*Supplemental Appropriation laws of 2013, Chapter 227, Section 6, item 1:* The AOC received \$400,000 for building lease payment shortfall in the magistrate courts in fiscal year 2013. As of June 30, 2013, all balances have been expended.

**NOTE 11. 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. As of June 30, 2013 there were eight claims and assessments against the AOC. The AOC paid total premiums of \$260,138 for Fiscal Year ending June 30, 2013.

**STATE OF NEW MEXICO  
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**NOTE 12. INTERAGENCY TRANSFERS**

Transfers to district courts from the Administrative Office of the Courts' General Fund and other state funds for the year ended June 30, 2013 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 For CASA, Water Rights Adjudication and Drug Courts	13900	Various Courts	Various Funds	\$ 2,161,970
Special Water Rights Adjudication	51200	Various Courts	Various Funds	\$ 93,411
				<u>\$ 2,255,381</u>

For state appropriations transferred to the district courts.

Transfers from other agencies and governments for the year ended June 30, 2013 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	\$ 608,319
Magistrate Court	69200	DFA-Supplemental	34100-20900	400,000
Magistrate Security and Facilities	49600	New Mexico Finance Authority Wire Transfer		300,000
Statewide Automation Bond	27300	Computer Systems Enhancement Fund DFA	34100-00900	828,000
General Fund Liquor Excise Tax	13900	DFA	34100-56000	<u>500,000</u>
<b>Total transfers from other agencies and governments</b>				<u>\$2,636,319</u>

**STATE OF NEW MEXICO  
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**NOTE 12. INTERAGENCY TRANSFERS (CONTINUED)**

Appropriations from the State of New Mexico General Fund for the year ended June 30, 2013 are as follows:

To/ Fund Name	SHARE Fund #	From/Agency- Fund Name	SHARE Fund #	Amount
Magistrate Drug Court Fund	11600	DFA- Appropriations	34100-85300	\$ 50,600
General Fund	13900	DFA- Appropriations	34100-85300	6,147,300
Jury & Witness Fund	01200	DFA- Appropriations	34100-85300	3,992,000
Court Appointed Attorney	12400	DFA- Appropriations	34100-85300	4,574,900
Statewide Drug Court Tech Fund	44300	DFA- Appropriations	34100-85300	1,365,000
Magistrate Court	69200	DFA- Appropriations	34100-85300	23,158,600
Judges Pro-temp	13600	DFA- Appropriations	34100-85300	30,000
Judicial Perf Eval	58300	DFA- Appropriations	34100-85300	188,500
Judicial Information Division	68900	DFA- Appropriations	34100-85300	<u>2,536,600</u>
<b>Total general fund appropriations</b>				<b><u>\$42,043,500</u></b>

Bond proceeds draw requests from the New Mexico Board of Finance for the year ended June 30, 2013 are as follows:

Severance Tax Bond Capital Outlay	89200	DFA- Appropriations	34100-85300	<u>373,649</u>
<b>Total bond proceeds draw requests</b>				<b><u>\$ 373,649</u></b>

**STATE OF NEW MEXICO  
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**NOTE 13. DUE FROM/DUE TO FUNDS**

AOC had the following amounts due from other funds, state agencies and federal government at year end:

**OTHER FUNDS**

<u>To</u>	<u>From</u>	
01100 Supreme Court Automation	07800 SCAF Agency Fund	496,656
57500 Magistrate Warrant Enforcement (WEF)	57600 WEF Agency Fund	332,214
11600 Magistrate Drug Court	69200 Magistrate Court	5,070
49600 Metro and Magistrate Court Capital Fund	69200 Magistrate Court	30,834
68900 JID General Fund	01100 Supreme Court Auto	1,571
12600 Municipal Court Automation Fund	70400 MCAF Agency Fund	<u>64,965</u>
		<u>\$ 931,310</u>

**OTHER STATE AGENCIES**

<u>To</u>	<u>From</u>	
13900 AOC Admin Support	NM Dept. of Transportation	\$ 348
89200 STB Capital Outlay	34101 Board of Finance	325,432
10790 E-filing Services Fund	34100 DFA	<u>6</u>
	Total due from	<u>\$ 325,786</u>

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 13. DUE FROM/DUE TO FUNDS (CONTINUED)**

<u>To</u>	<u>From</u>	
14100 1 <sup>st</sup> Judicial District	13900 AOC Special Crt Services	\$ 29,389
14400 4 <sup>th</sup> Judicial District		14,117
14800 8 <sup>th</sup> Judicial District		3,321
14900 9 <sup>th</sup> Judicial District		2,712
33500 11 <sup>th</sup> Judicial District		<u>2,967</u>
	Total due to	<u>\$ 52,506</u>

**FEDERAL GOVERNMENT**

<u>To</u>	<u>From</u>	
13900 AOC Admin Support	Various Federal Agencies	<u>\$ 373,169</u>

**RECEIVABLES**

<u>To</u>	<u>From</u>	
01100 Supreme Court Automation	68900 JID General Fund	17,897
13900 AOC General Fund	13900 General Fund	34
69200 Magistrate Court	57500 Magistrate Warrant Enforcement Fund (WEF)	1,974
49500 AOC Grant Fund	Various State Agencies (CYFD, DOT, etc.)	144,240
12600 Muni Court Auto	57500 Magistrate Warrant	<u>3,429</u>
		<u>\$ 167,574</u>



**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013**

**NOTE 14. FUND BALANCE DEFICIT**

From July 1, 2013 through October 31, 2013, the AOC has paid FY 13 expenditures in the Jury and Witness fund totaling \$567,196, using FY 2014 Jury and Witness appropriations. The tracking of fee revenues and fund expenditures continue to be difficult to project to fiscal year end. Section 6-10-4, NMSA 1978, allows state agencies to pay prior fiscal year expenditures with current year appropriations only if there are sufficient funds and unexpended budget at fiscal year-end to pay the obligations. The AOC continues to work with the Legislature and the Executive Branch to ensure that adequate appropriations are made to cover the constitutional mandated payment of jurors, witnesses and interpreters. The accrual of these fees at year end created the deficit fund balance.

## **SUPPLEMENTAL INFORMATION**

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
COMBINING BALANCE SHEET  
ALL NON-MAJOR FUNDS  
June 30, 2013**

	E-Filing Services Fund 10790	Magistrate Drug Court 11600	Magistrate Court Operations 11120	Municipal Court Automation 12600
<b>ASSETS</b>				
Interest in SGFIP	\$ 52,417	335,736	181,150	793,302
Receivables	-	-	-	3,429
Due from agency funds	-	-	-	64,965
Due from other funds		5,070		
Due from other state agencies	5	-	-	-
<b>Total assets</b>	<b>\$ 52,422</b>	<b>340,806</b>	<b>181,150</b>	<b>861,696</b>
<b>LIABILITIES</b>				
Deficit cash balance	\$ -	-	-	-
Vouchers payable	-	491	81,374	179,972
Payroll Benefits Payable	-	752	-	(803)
Payroll Taxes Payable	-	526	-	(1,081)
Accrued Payroll	-	1,386	-	1,306
Due to State General Fund	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>3,155</b>	<b>81,374</b>	<b>179,394</b>
<b>FUND BALANCE</b>				
Fund balances				
Restricted and designated for future expenditures	52,422	337,651	99,776	682,302
<b>Total fund balance</b>	<b>52,422</b>	<b>337,651</b>	<b>99,776</b>	<b>682,302</b>
<b>Total liabilities and fund equity</b>	<b>\$ 52,422</b>	<b>340,806</b>	<b>181,150</b>	<b>861,696</b>

*See Independent Auditor's Report.*

	Judges Pro-Temp 13600	Magistrate Court Mediation 30400	Metropolitan and Magistrate Court Capital Fund 49600	Judicial Performance Evaluation 58300	Judicial Information Division 68900	Total
\$	22,459	507,962	23,615	330,455	44,982	2,292,078
	-	-	-	-	-	3,429
	-	-	-	-	-	64,965
	-	-	30,834	-	1,571	37,475
	-	-	-	-	-	5
<b>\$</b>	<b>22,459</b>	<b>507,962</b>	<b>54,449</b>	<b>330,455</b>	<b>46,553</b>	<b>2,397,952</b>
\$	-	-	-	-	-	-
	5,492	2,977	2,845	36,989	-	310,140
	-	-	-	31	15,925	15,905
	-	-	-	115	9,778	9,338
	-	-	-	-	20,850	23,542
	16,967	-	-	-	-	16,967
	22,459	2,977	2,845	37,135	46,553	375,892
	-	504,985	51,604	293,320	-	2,022,060
	-	504,985	51,604	293,320	-	2,022,060
<b>\$</b>	<b>22,459</b>	<b>507,962</b>	<b>54,449</b>	<b>330,455</b>	<b>46,553</b>	<b>2,397,952</b>

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - ALL NON-MAJOR FUNDS  
Year End June 30, 2013**

	E-Filing Services Fund 10790	Magistrate Drug Court 11600	Magistrate Court Operations 11120	Municipal Court Automation 12600
Revenues				
Charges for services	\$ 117	12,849	535,021	794,145
Grants	-	-	-	-
<b>Total revenues</b>	<b>117</b>	<b>12,849</b>	<b>535,021</b>	<b>794,145</b>
Expenditures				
Judicial				
Current:				
Personal services	-	94,296	-	115,348
Employee benefits	-	29,473	-	47,916
Contractual services	-	440	9,844	-
In-state travel	-	1,647	9,649	4,182
Maintenance and repairs	-	-	682	-
Supplies	-	1,023	67,736	11,935
Operating costs	-	5,631	407,470	4,482
Other costs	-	-	-	548,369
Out-of-state travel	-	332	-	-
<b>Total expenditures</b>	<b>-</b>	<b>132,842</b>	<b>495,381</b>	<b>732,232</b>
<b>(Deficiency) excess of revenues over expenditures</b>	<b>117</b>	<b>(119,993)</b>	<b>39,640</b>	<b>61,913</b>
Other Financing Sources (Uses)				
General Fund appropriation	-	50,600	-	-
Transfers from other agencies	-	-	-	-
Transfers to other agencies	-	-	-	-
Transfer from other governments	-	-	-	-
Reversions	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>50,600</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>117</b>	<b>(69,393)</b>	<b>39,640</b>	<b>61,913</b>
Fund balance at beginning of year	52,305	407,044	60,136	620,389
<b>Fund balance at end of year (deficit)</b>	<b>\$ 52,422</b>	<b>337,651</b>	<b>99,776</b>	<b>682,302</b>

*See Independent Auditor's Report.*

Judges Pro-Temp 13600	Magistrate Court Mediation 30400	Metropolitan and Magistrate Court Capital Fund 49600	Judicial Performance Evaluation 58300	Judicial Information Division 68900	Total
\$ -	92,960	30	-	-	1,435,122
-	-	-	-	-	-
-	92,960	30	-	-	1,435,122
-	-	-	20,577	1,745,124	1,975,345
-	-	-	6,876	561,076	645,341
13,033	24,299	144,539	135,493	-	327,648
-	5,422	295	7,067	-	28,262
-	-	-	-	-	682
-	966	-	277	-	81,937
-	40,000	169,126	796	230,400	857,905
-	896	252	-	-	549,517
-	-	-	-	-	332
13,033	71,583	314,212	171,086	2,536,600	4,466,969
(13,033)	21,377	(314,182)	(171,086)	(2,536,600)	(3,031,847)
30,000	-	-	188,500	2,536,600	2,805,700
-	-	300,000	-	-	300,000
-	-	-	-	-	-
-	-	-	-	-	-
(16,967)	-	-	-	-	(16,967)
13,033	-	300,000	188,500	2,536,600	3,088,733
-	21,377	(14,182)	17,414	-	56,886
-	483,608	65,786	275,906	-	1,965,174
\$ -	504,985	51,604	293,320	-	2,022,060

**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, 2013**

<b>Magistrate Drug Court Fund (11600)</b>				
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
State General Fund appropriations	\$ 50,600	50,600	50,600	-
Other financing sources	-	-	-	-
Miscellaneous revenues	241,100	241,100	12,849	(228,251)
Reversions	-	-	-	-
	<hr/>			
<b>Total Revenue</b>	<b>291,700</b>	<b>291,700</b>	<b>63,449</b>	<b>(228,251)</b>
<hr/>				
<b>Expenditures</b>				
Personal Services	124,300	124,300	123,769	531
Contract Services	147,400	147,400	440	146,960
Other Costs	20,000	20,000	8,633	11,367
	<hr/>			
<b>Total expenditures</b>	<b>\$ 291,700</b>	<b>291,700</b>	<b>132,842</b>	<b>158,858</b>
<hr/>				
Excess of revenues and other financing sources over expenditures and other financing uses			\$ (69,393)	

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STATE OF NEW MEXICO  
 ADMINISTRATIVE OFFICE OF THE COURTS  
 STATEMENT OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Magistrate Court Operations Fund (11120)  
 Year Ended June 30, 2013

<b>Magistrate Court Operations Fund (11120)</b>				
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
State General Fund appropriations	\$ -	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenues	580,000	580,000	535,021	(44,979)
Reversions	-	-	-	-
<b>Total Revenue</b>	<b>580,000</b>	<b>580,000</b>	<b>535,021</b>	<b>(44,979)</b>
<b>Expenditures</b>				
Personal Services	-	-	-	-
Contract Services	30,000	30,000	9,844	20,156
Other Costs	550,000	550,000	485,537	64,463
<b>Total expenditures</b>	<b>580,000</b>	<b>580,000</b>	<b>495,381</b>	<b>84,619</b>
Excess of revenues and other financing sources over expenditures and other financing uses			\$ 39,640	

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**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, 2013**

	<b>Municipal Court Automation (12600)</b>			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other financing sources	\$ -	-	-	-
Miscellaneous revenues	994,000	994,000	794,145	(199,855)
Reversions	-	-	-	-
	<hr/>			
<b>Total Revenue</b>	994,000	994,000	794,145	(199,855)
	<hr/>			
Expenditures				
Personal Services	193,000	193,000	163,264	29,736
Other Costs	801,000	801,000	568,968	232,032
	<hr/>			
<b>Total expenditures</b>	\$ 994,000	994,000	732,232	261,768
	<hr/>			
Excess of revenues and other financing sources over expenditures and other financing uses			\$ 61,913	

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**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
Judges Pro-Tempore (13600)  
Year Ended June 30, 2013**

	<b>Judges Pro-Tempore (13600)</b>			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
State General Fund appropriations	\$ 30,000	30,000	30,000	-
Other financing sources	-	-	-	-
Reversions to State General Fund	-	-	(16,967)	(16,967)
<b>Total Revenue</b>	<b>30,000</b>	<b>30,000</b>	<b>13,033</b>	<b>-</b>
<b>Expenditures</b>				
Personal services	-	-	-	-
Contractual services	30,000	30,000	13,033	16,967
Other costs	-	-	-	-
<b>Total expenditures</b>	<b>\$ 30,000</b>	<b>30,000</b>	<b>13,033</b>	<b>-</b>
Excess of revenues and other financing sources over expenditures and other financing uses			\$ -	

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**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, 2013**

<b>Magistrate Court Mediation Fund (30400)</b>				
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Misc Revenue	\$ 105,000	105,000	92,960	(12,040)
Other financing sources (Fund Balance)	-	-	-	-
Reversions	-	-	-	-
<b>Total revenues</b>	<u>105,000</u>	<u>105,000</u>	<u>92,960</u>	<u>(12,040)</u>
<b>Fund balance carryforward</b>				
Total	<u>110,000</u>	<u>110,000</u>		
	<u>215,000</u>	<u>215,000</u>		
<b>Expenditures</b>				
Personal services	-	-	-	-
Contractual services	175,000	75,000	24,299	50,701
Other costs	40,000	140,000	47,284	92,716
Other financing uses	-	-	-	-
<b>Total expenditures</b>	<u>\$ 215,000</u>	<u>215,000</u>	<u>71,583</u>	<u>143,417</u>
<b>Excess of revenues and other financing sources over expenditures and other financing uses</b>			<b>\$ 21,377</b>	

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STATE OF NEW MEXICO  
 ADMINISTRATIVE OFFICE OF THE COURTS  
 STATEMENT OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 Metropolitan and Magistrate Court Capital Fund (49600)  
 Year Ended June 30, 2013

	<b>Metropolitan and Magistrate Court Capital Fund (49600)</b>			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
General Fund Appropriation	\$ -	-	-	-
Miscellaneous revenues	-	-	30	30
Reversions	-	-	-	-
Other financing sources	800,000	800,000	300,000	(500,000)
<b>Total revenues</b>	<u>800,000</u>	<u>800,000</u>	<u>300,030</u>	<u>(499,970)</u>
Fund balance carryforward	100,000	100,000		
Total	<u>900,000</u>	<u>900,000</u>		
<b>Expenditures</b>				
Personal Services	-	-	-	-
Contractual services	200,000	200,000	144,539	55,461
Other Costs	700,000	700,000	169,673	530,327
Other Financing Uses	-	-	-	-
<b>Total expenditures</b>	<u>\$ 900,000</u>	<u>900,000</u>	<u>314,212</u>	<u>585,788</u>
Excess of revenues and other financing sources over expenditures and other financing uses			\$ (14,182)	

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**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, 2013**

	<b>Judicial Performance Evaluation Fund (58300)</b>			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	\$ 188,500	188,500	188,500	-
Other financing sources	-	-	-	-
Reversions to State General Fund	-	-	-	-
Misc Revenue	-	-	-	-
	<hr/>			
<b>Total Revenue</b>	188,500	188,500	<u>188,500</u>	-
	<hr/>			
Fund balance carryforward	100,000	100,000		
Total	<u>288,500</u>	<u>288,500</u>		
	<hr/>			
Expenditures				
Personal services	29,000	31,000	27,453	3,547
Contractual services	247,500	245,500	135,493	110,007
Other costs	12,000	12,000	8,140	3,860
	<hr/>			
<b>Total expenditures</b>	\$ 288,500	288,500	<u>171,086</u>	<u>117,414</u>
	<hr/>			
Excess of revenues and other financing sources over expenditures and other financing uses			\$ 17,414	

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**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, 2013**

	<b>Judicial Information Division Fund (68900)</b>			
	Original Budget	Approved Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriations	\$ 2,536,600	2,536,600	2,536,600	-
Other financing sources	-	-	-	-
Reversions to State General Fund	-	-	-	-
<b>Total Revenues</b>	<b>2,536,600</b>	<b>2,536,600</b>	<b>2,536,600</b>	<b>-</b>
Expenditures				
Personal services	2,306,200	2,306,200	2,306,200	-
Contractual services	-	-	-	-
Other Costs	230,400	230,400	230,400	-
<b>Total expenditures</b>	<b>\$ 2,536,600</b>	<b>2,536,600</b>	<b>2,536,600</b>	<b>-</b>
Excess of revenues and other financing sources over expenditures and other financing uses			\$ -	

*See Independent Auditor's Report.*

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
COMBINED STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
Year Ended June 30, 2013**

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b><u>Total All Agency Funds</u></b>				
<b>ASSETS</b>				
Interest in State General Fund				
Investment Pool	\$ 3,049,313	9,636,368	(9,349,742)	<b>3,335,939</b>
Cash in commercial banks	2,803,764	21,461,846	(21,568,321)	<b>2,697,289</b>
<b>Total assets</b>	<b><u>\$ 5,853,077</u></b>	<b><u>31,098,214</u></b>	<b><u>(30,918,063)</u></b>	<b><u>6,033,228</u></b>
<b>LIABILITIES</b>				
Due to other state agencies	\$ 3,181,901	9,584,836	(9,268,974)	<b>3,497,763</b>
Due to litigants	1,806,088	8,686,682	(8,766,551)	<b>1,726,219</b>
Due to				
Brain Injury Fee Fund (481)	30,399	378,007	(380,071)	<b>28,335</b>
Civil Legal Service Fund (600)	23,040	545,575	(546,745)	<b>21,870</b>
Correction Fee Fund (688)	139,795	1,964,494	(1,975,696)	<b>128,593</b>
Court Automation Fund (078)	102,672	1,671,503	(1,678,254)	<b>95,921</b>
Court Facilities Fund (532)	155,691	1,980,133	(1,996,009)	<b>139,815</b>
Crime Laboratory Fund (687)	53,101	1,184,246	(1,189,869)	<b>47,478</b>
Judges Retirement Fund (122)	38,400	463,972	(465,882)	<b>36,490</b>
Juvenile Adjudication (11210)	405	7,034	(7,129)	<b>310</b>
Judicial Education Fee Fund (577)	20,560	349,233	(350,790)	<b>19,003</b>
Magistrate Enforcement Fund (576)	248,229	3,316,898	(3,322,597)	<b>242,530</b>
Magistrate Penalty Assessment Fund (794)	74	821	(839)	<b>56</b>
Domestic Violence Offender Fund (515)	34,140	550,441	(552,820)	<b>31,761</b>
Traffic Safety Fund (252)	18,582	414,339	(415,837)	<b>17,084</b>
<b>Total liabilities</b>	<b><u>\$ 5,853,077</u></b>	<b><u>31,098,214</u></b>	<b><u>(30,918,063)</u></b>	<b><u>6,033,228</u></b>

*See Independent Auditor's Report.*

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS-DETAILED  
Year Ended June 30, 2013**

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
<b><u>Litigant Fund</u></b>				
<b>ASSETS</b>				
Interest in State General Fund				
Investment Pool	\$ 141,619	51,532	(4,486)	188,665
Cash in commercial banks	1,664,470	8,635,150	(8,762,066)	1,537,554
<b>Total assets</b>	<b>\$ 1,806,089</b>	<b>8,686,682</b>	<b>(8,766,552)</b>	<b>1,726,219</b>
<b>LIABILITIES</b>				
Due to litigants	\$ 1,806,089	8,686,682	(8,766,552)	1,726,219
 <b><u>Fines and Fees Fund</u></b>				
<b>ASSETS</b>				
Interest in State General Fund				
Investment Pool	\$ 2,907,694	9,584,836	(9,345,256)	3,147,274
Cash in commercial banks	1,139,295	12,826,696	(12,806,256)	1,159,735
<b>Total assets</b>	<b>\$ 4,046,989</b>	<b>22,411,532</b>	<b>(22,151,512)</b>	<b>4,307,009</b>
<b>LIABILITIES</b>				
Due to other state agencies	\$ 3,181,901	9,584,836	(9,268,974)	3,497,763
Due to				
Brain Injury Fee Fund (481)	30,399	378,007	(380,071)	28,335
Civil Legal Service Fund (600)	23,040	545,575	(546,745)	21,870
Correction Fee Fund (688)	139,795	1,964,494	(1,975,696)	128,593
Court Automation Fund (078)	102,672	1,671,503	(1,678,254)	95,921
Court Facilities Fund (532)	155,691	1,980,133	(1,996,009)	139,815
Crime Laboratory Fund (687)	53,101	1,184,246	(1,189,869)	47,478
Judges Retirement Fund (122)	38,400	463,972	(465,882)	36,490
Juvenile Adjudication (11210)	405	7,034	(7,129)	310
Judicial Education Fee Fund (577)	20,560	349,233	(350,790)	19,003
Magistrate Enforcement Fund (576)	248,229	3,316,898	(3,322,597)	242,530
Magistrate Penalty Assessment Fund (794)	74	821	(839)	56
Domestic Violence Offender Fund (515)	34,140	550,441	(552,820)	31,761
Traffic Safety Fund (252)	18,582	414,339	(415,837)	17,084
<b>Total liabilities</b>	<b>\$ 4,046,989</b>	<b>22,411,532</b>	<b>(22,151,512)</b>	<b>4,307,009</b>



**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
SCHEDULE OF CASH ACCOUNTS  
June 30, 2013**

	Fund	Balance <u>June 30, 2013</u>
<u>Cash on Deposit - State Treasurer</u>		
General Fund		
Administrative Office of the Courts	139	\$ <u>286,167</u>
Special Revenue Funds		
JID Supreme Court Automation	011	750,464
Jury & Witness Fees	012	297,975
Magistrate Drug Court Fund	116	335,736
E-Filing Services Fund	10790	52,417
Magistrate Court Operations	11120	181,150
Court Appointed Attorney	124	493,883
JID Municipal Court Automation	126	793,302
Judges Pro-Temp	136	22,459
JID Statewide Automated Bond	273	1,367,950
Grant Fund	495	(431,882)
Magistrate Court Mediation Fund	304	507,962
Statewide drug court	443	1,365,000
Magistrate Security & Facilities Fund	496	23,615
Water Adjudication Fund	512	2,004,208
Magistrate Court Warrant Enforcement	575	2,503,043
Judicial Performance Evaluation	583	330,455
JID Judicial Information Division	689	44,982
Magistrate Courts	692	479,465
STB Capital Outlay	892	(192,557)
<b>Total Special Revenue Funds</b>		<u>10,929,627</u>
Fiduciary Funds		
Brain Injury Fee Fund	481	30,663
Civil Legal Service Fund	600	162,710
Correction Fees Fund	688	988,585
Court Automation Fund	078	496,745
Court Facilities Fund	532	585,677
Crime Laboratory Fees Fund	687	387,186
Judicial Education Fee Fund	577	20,787
Magistrate - Penalty Assessment Fund	794	53
Magistrate Court Warrant Enforcement Fund	576	282,888
Suspense Fund	533	9,436
Magistrate Retirement Fund	122	36,275
Juvenile Adjudication	11210	530
Magistrate Suspense Fund	822	188,665
Municipal Court Automation Fund	704	64,965
Domestic Violence Treatment Fund	515	54,124
Traffic Safety Fund	252	26,650
<b>Total Fiduciary Funds</b>		<u>3,335,939</u>
<b>Total cash on deposit - State Treasurer</b>		14,551,733
<b>Total cash per books</b>		<u>\$ 14,551,733</u>

See Independent Auditor's Report.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
SCHEDULE OF CASH ACCOUNTS (CONTINUED)  
June 30, 2013**

Magistrate Court	Bank	Court Location	Bank Balance June 30, 2013
Catron I	First State	Reserve	\$ 15,082
Catron Circuit	First State	Quemado	795
Chaves I, II	Valley Bank of Commerce	Roswell	66,363
Cibola I, II	Wells Fargo	Grants	31,788
Colfax I	International State	Raton	36,297
Colfax II	International State	Springer	12,173
Curry I, II	New Mexico Bank & Trust	Clovis	122,238
DeBaca I	Citizens Bank of Clovis	Ft. Sumner	124,600
Dona Ana I, II, III	Wells Fargo	Las Cruces	334,633
Dona Ana Circuit	Wells Fargo	Anthony	72,066
Dona Ana Hatch	Wells Fargo	Hatch	699
Eddy I, II	Western Commerce	Carlsbad	67,772
Eddy III	First National	Artesia	57,973
Grant I	Wells Fargo	Silver City	33,719
Grant II	Bank of America	Bayard	18,877
Guadalupe I	Wells Fargo	Santa Rosa	45,955
Harding I	Wells Fargo	Roy	2,764
Hidalgo I	Western	Lordsburg	54,717
Lea I	Lea County State	Lovington	53,964
Lea II	Lea County State	Hobbs	81,747
Lea III	Wells Fargo	Eunice	4,128
Lea Circuit	Wells Fargo	Jal	1,616
Lincoln I	Wells Fargo	Carrizozo	19,664
Lincoln II	First National	Ruidoso	63,877
Los Alamos I	Los Alamos National	Los Alamos	29,799
Luna I	Wells Fargo	Deming	66,113
McKinley I, II	Wells Fargo	Gallup	112,633
Mora I	Bank of Las Vegas	Mora	9,514
Otero I, II	First National	Alamogordo	125,480
Quay I	Wells Fargo	Tucumcari	44,829
Rio Arriba I, II	Bank of America	Espanola	132,620
Rio Arriba Circuit	Community Bank	Chama	6,163
			\$ 1,850,658

*See Independent Auditor's Report.*

Reconciling Items	Book Balance June 30, 2013	Deposits In Transit	Outstanding Checks	Book Bal Variance	Bond Bal
\$ (573)	14,509	-	573	1	11,680
-	795	-	-		-
(1,088)	65,275	1,676	2,764	(187)	19,830
(1,597)	30,191	(369)	1,228	(252)	18,313
(12,369)	23,928	-	12,369	2	8,931
(394)	11,779	106	500	3	7,097
577	122,815	4,077	3,500	(899)	71,720
(347)	124,253	133	480	27	120,760
(7,332)	327,301	5,498	12,830	612	166,670
(4,938)	67,128	25	4,963	48	25,221
-	699	-	-	-	200
(970)	66,802	123	1,093	983	20,032
(5,015)	52,958	-	5,015	7	28,285
(7,167)	26,552	260	7,427	1	14,950
(1,001)	17,876	-	1,001	10	6,500
(1,163)	44,792	459	1,622	160	28,750
(100)	2,664	(100)	-	4	-
(6,304)	48,413	662	6,966	23	24,435
(2,705)	51,259	-	2,705	(266)	41,026
(482)	81,265	-	482	1	54,175
(200)	3,928	-	200	-	1,500
-	1,616	-	-	-	800
417	20,081	552	135	46	5,473
(4,915)	58,962	-	4,915	3	40,081
(2,500)	27,299	-	2,500	(8)	21,809
(3,381)	62,732	-	3,381	(518)	29,732
(4,273)	108,360	(274)	3,999	(50)	63,319
(319)	9,195	-	319	-	4,535
(4,064)	121,416	-	4,064	44	70,171
(3,298)	41,531	-	3,298	7	18,764
(3,580)	129,040	-	3,580	(61)	105,962
(547)	5,616	401	948	(221)	3,300
<hr/>					
\$ (79,628)	1,771,030	13,229	92,857	(480)	1,034,021

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
SCHEDULE OF CASH ACCOUNTS (CONTINUED)  
June 30, 2013**

Magistrate Court	Bank	Court Location	Bank Balance June 30, 2013
Roosevelt I	Portales National	Portales	\$ 30,534
San Juan I	Wells Fargo	Aztec	125,547
San Juan II, III	Bank of the Southwest	Farmington	60,798
San Miguel I, II	Bank of Las Vegas	Las Vegas	123,221
Sandoval I	Wells Fargo	Bernalillo	111,438
Sandoval II	Wells Fargo	Cuba	35,994
Santa Fe I, II, III	Wells Fargo	Santa Fe	207,083
Santa Fe Circuit	Wells Fargo	Pojoaque	785
Sierra I	Bank of the Southwest	T or C	29,404
Socorro I	Wells Fargo	Socorro	28,182
Taos I, II	Centinel	Taos	77,872
Taos Circuit	Centinel	Questa	3,643
Torrance I, II	Wells Fargo	Moriarity	24,918
Torrance Circuit	Wells Fargo	Estancia	1,276
Union I	Farmers/Stockmens	Clayton	15,441
Valencia I	Ranchers Banks	Los Lunas	47,797
Valencia II	Ranchers Banks	Belen	39,533
			<u>963,466</u>
	<b>Total bank and book balance</b>		<u>\$ 2,814,124</u>
			<b>Total - change funds</b>
			<u>\$ 5,776</u>
			<b>Total - cash in banks</b>
			\$ 2,814,124
			<b>Total - deposits in transit</b>
			21,317
			<b>Total outstanding checks</b>
			(138,152)
			<u>\$ 2,697,289</u>
			Cash on deposit with State Treasurer for governmental funds per books
			\$ 11,221,570
			Cash on Deposit with the State Treasurer for agency
			3,335,939
			Cash on deposit with banks per books
			<u>2,697,289</u>
	<b>Total cash per books</b>		<u>\$ 17,254,798</u>

*See Independent Auditor's Report.*

Reconciling Items	Book Balance June 30, 2013	Deposits In Transit	Outstanding Checks	Book Bal Variance	Bond Bal
\$ (4,270)	26,264	-	4,270	17	6,325
(2,282)	123,265	3,071	5,353	11	35,467
853	61,651	2,879	2,026	42	15,349
(3,063)	120,158	703	3,766	(13)	92,033
(3,263)	108,175	216	3,479	155	75,346
(3,181)	32,813	764	3,945	(25)	20,159
(7,589)	199,494	-	7,589	(127)	112,257
-	785	-	-	-	685
(1,797)	27,607	-	1,797	28	14,881
(555)	27,627	-	555	-	11,879
(905)	76,967	(50)	855	3	60,365
-	3,643	-	-	1	2,100
(458)	24,460	42	500	(87)	15,750
-	1,276	-	-	43	250
(7,625)	7,816	463	8,088	16	7,800
(2,634)	45,163	-	2,634	(56)	19,487
(438)	39,095	-	438	(306)	13,400
(37,207)	926,259	8,088	45,295	(298)	503,533
<u>\$ (116,835)</u>	<u>2,697,289</u>	<u>21,317</u>	<u>138,152</u>	<u>(778)</u>	<u>1,537,554</u>

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
SCHEDULE OF CASH ACCOUNTS (CONTINUED)  
Year Ended June 30, 2013**

Magistrate Court-Change Funds	Court Location	Balance <u>June 30, 2013</u>
Catron I	Reserve	\$ 65
Catron Circuit	Quemado	65
Chaves I, II	Roswell	200
Cibola I, II	Grants	65
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	130
Dona Ana Circuit	Anthony	65
Dona Ana Hatch	Hatch	-
Eddy I, II	Carlsbad	200
Eddy III	Artesia	100
Grant I	Silver City	150
Grant II	Bayard	65
Guadalupe I	Santa Rosa	150
Guadalupe Circuit	Vaughn	65
Harding I	Roy	65
Hidalgo I	Lordsburg	150
Lea I	Lovington	150
Lea II	Hobbs	265
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/>
		2,745
		<hr/>

*See Independent Auditor's Report.*

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
SCHEDULE OF CASH ACCOUNTS (CONTINUED)  
Year Ended June 30, 2013**

Magistrate Court-Change Funds	Court Location	Balance <u>June 30, 2013</u>
Luna I	Deming	\$ -
McKinley I, II	Gallup	300
McKinley III	Thoreau	-
Mora I	Mora	65
Otero I, II	Alamogordo	100
Quay I	Tucumcari	65
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	Pojoaque	65
Sierra I	T of C	100
Socorro I	Socorro	100
Taos I, II	Taos	100
Taos Circuit	Questa	-
Torrance I	Moriarty	250
Torrance Circuit	Estancia	65
Union I	Clayton	100
Valencia I	Los Lunas	130
Valencia II	Belen	200
		<hr/>
		3,031
		<hr/>
<b>Total</b>		<b>\$ 5,776</b>
		<hr/> <hr/>

*See Independent Auditor's Report.*

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
SCHEDULE OF MEMORANDUMS OF UNDERSTANDING  
June 30, 2013**

<b>MOU No.</b>	<b>Participants</b>	<b>Operation Responsibility</b>	<b>Description</b>	<b>Term</b>	<b>Total Amount</b>	<b>Agency Contribution</b>	<b>Audit Responsibility</b>
<b>Administrative Office of the Courts (AOC) and:</b>							
2013-0007	Village of Ruidoso	AOC	AOC shall hire a part-time court clerk at the Magistrate Court	7/1/2012 - 6/30/2013	17,368	17,368	AOC
2013-0180	Department of Public Safety- New Mexico State Police	AOC	Provide any officer to report to the Santa Fe County Magistrate DWI/Drug Court for the purposes of conducting home visits for participants	7/1/2012 - 6/30/2013	\$ 8,000	\$ 8,000	AOC
2013-0313	Department of Public Safety- New Mexico State Police	AOC	Coordination of Warrant Round-Ups	7/1/2012 - 6/30/2013	\$ 150,000	\$ 150,000	AOC
2013-0332	First Judicial District Court	AOC	Supplemental Funding for FY13 to support problem-solving courts.	7/1/2012 - 6/30/2013	\$ 131,000	\$ 131,000	AOC
2013-0333	Second Judicial District Court	AOC	Supplemental Funding for FY13 to support problem-solving courts.	7/1/2012 - 6/30/2013	\$ 143,000	\$ 143,000	AOC
2013-0334	Fourth Judicial District Court	AOC	Supplemental Funding for FY13 to support problem-solving courts.	7/1/2012 - 6/30/2013	\$ 84,700	\$ 84,700	AOC
2013-0335	Fifth Judicial District Court	AOC	Supplemental Funding for FY13 to support problem-solving courts.	7/1/2012 - 6/30/2013	\$ 63,350	\$ 63,350	AOC
2013-0336	Sixth Judicial District Court	AOC	Supplemental Funding for FY13 to support problem-solving courts.	7/1/2012 - 6/30/2013	\$ 75,500	\$ 75,500	AOC
2013-0337	Ninth Judicial District Court	AOC	Supplemental Funding for FY13 to support problem-solving courts.	7/1/2012 - 6/30/2013	\$ 24,500	\$ 24,500	AOC
2013-0338	Eleventh Judicial District Court	AOC	Supplemental Funding for FY13 to support problem-solving courts.	7/1/2012 - 6/30/2013	\$ 72,500	\$ 72,500	AOC
2013-0371	UNM, Institute of Public Law, Corinne Wolfe Children's Law Center	AOC	To provide training for Judges, Attorneys, & Child Welfare Cases	10/5/2012 - 9/30/2013	\$ 123,290	\$ 123,290	AOC
2013-0388	Rio Metro Regional Transit District	AOC	RMRTD shall provide transportation services to the Valencia County DWI Drug Court Program in Valencia County	10/1/2012 - 6/30/2013	\$ 1,000	\$ 1,000	AOC
2013-0389	New Mexico Public Defender Department	AOC	DWI Sobriety Court in Las Vegas San Miguel County	10/1/2012 - 6/30/2013	\$ 12,000	\$ 12,000	AOC
2013-0390	Third District Court	AOC	Reimbursement of the Third District Court for their problem solving courts	7/1/2012 - 6/30/2013	\$ 30,000	\$ 30,000	AOC



**STATE OF NEW MEXICO**  
**ADMINISTRATIVE OFFICE OF THE COURTS**  
**SCHEDULE OF MEMORANDUMS OF UNDERSTANDING**  
**June 30, 2013**

<b>MOU No.</b>	<b>Participants</b>	<b>Operation Responsibility</b>	<b>Description</b>	<b>Term</b>	<b>Total Amount</b>	<b>Agency Contribution</b>	<b>Audit Responsibility</b>
2013-0404	Valencia County Village of Los Lunas Local DWI Program (VCDWI)	AOC	Provide electronic monitoring services to the Magistrate Court Program's participants	10/1/2012 - 6/30/2013	\$ 18,750	\$ 18,750	AOC
2013-0407	Southwest Institute of Family & Child Advocacy at NMSU Regents of UNM New Mexico	AOC	To develop and plenary and workshop sessions, recruit speakers for the 2013 Children's Law Institute	12/1/2012 - 2/29/2013	\$ 1,000	\$ 1,000	AOC
2013-0410	Mexico Center for Language Access Regents of UNM New Mexico	AOC	Development & Delivery of training for court interpreters	10/1/2012 - 6/30/2013	\$ 16,450	\$ 16,450	AOC
2013-0411	Mexico Center for Language Access	AOC	Development & Delivery of language access training for employees of state courts nationally	10/1/2012 - 3/31/2014	\$ 82,700	\$ 82,700	AOC
2013-0428	Carlsbad Municipal Transit System	AOC	Provide Bus Passes to transport participants to the Eddy County Magistrate DWI Drug Court Program	2/1/2013 - 6/30/2013	\$ 200	\$ 200	AOC
2013-0429	Las Vegas Police Department	AOC	Operating Costs of the San Miguel County Magistrate DWI/Sobriety Drug Court Program in Las Vegas	1/28/2013 - 6/30/2013	\$ 3,000	\$ 3,000	AOC
2013-0430	City of Las Cruces	AOC	Operating Costs of the Dona Ana County Magistrate DWI Drug Court Program in Las Cruces	12/10/2012 - 6/30/2013	\$ 600	\$ 600	AOC
2013-0434	Carlsbad Police Department	AOC	Operating Costs of the Eddy County Magistrate DWI Drug Court Program	10/1/2012 - 6/30/2013	\$ 3,000	\$ 3,000	AOC
2013-0495	Department of Public Safety, New Mexico State Police	AOC	Joint operation and maintenance of the Justice Information Sharing Council (JISC) Consolidated Offender Query (COQ) program	6/5/2013 - 6/30/2013	\$ 8,000	\$ 8,000	AOC
2013-	New Mexico Compilation Commission	AOC	Provide general financial assistance	7/1/2012 - 6/30/2013	\$ -	\$ -	AOC

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2013**

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Justice / Office of Justice Programs</b>			
BJA - Congressional Award for NM Drug Court Programs (5085)	16.580		\$ 4,731
BJA - Congressionally Selected Award for NM Drug Court Programs (5093)	16.753		39,284
BJA - Drug Court Discretionary Grant Program (5095)	16.585		<u>443,969</u>
			487,984
<b>U.S. Department of Justice / Office of Violence Against Women</b>			
Pass-through Program From:			
State of New Mexico Crime Victims Reparation Commission (5106)	16.588	2011-WF-AX-0021	<u>60,634</u>
Subtotal U.S. Department of Justice			<u>548,618</u>
Total U.S. Department of Justice			<u><u>548,618</u></u>
<b>U.S. Department of Transportation</b>			
Pass-through Program From:			
State of New Mexico Department of Transportation			
AOC DWI/Drug Court Expansion (5104)	20.600	12-AL-K8-P08	73,925
AOC DWI/Drug Court Expansion (5113)	20.600	13-AL-K8-P08	<u>196,291</u>
* Subtotal State of New Mexico Department of Transportation			270,216
Total State of New Mexico Department of Transportation			<u><u>270,216</u></u>
<b>U.S. Department of Health and Human Service</b>			
State Court Improvement - Basic Program (5097)	93.586		27,339
State Court Improvement - Data Program (5098)	93.586		94,733
State Court Improvement - Training Program (5099)	93.586		86,023
State Court Improvement - Basic Program (5108)	93.586		116,709
State Court Improvement - Data Program (5109)	93.586		44,178
State Court Improvement - Training Program (5110)	93.586		<u>57,608</u>
* Subtotal U.S. Department of Health and Human Services			426,590
Pass-through Program From:			
State of New Mexico Department of Children, Youth & Families			
Mediation Services (5107)	93.556	13-690-14805	172,146
Children's Justice Act (5115)	FYY11	13-690-15811	<u>3,000</u>
Subtotal State of New Mexico Department of Children, Youth and Families			175,146
Total U.S. Department of Health and Human Services			<u><u>\$ 601,736</u></u>

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2013**

Federal Grantor/Pass-through Grantor/Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>State Justice Institute</b>			
Language Access Planning for New Mexico State Courts (5096)	NA	SJI-10-T-179	\$ 27,134
New Mexico Interactive Forms Project (5103)	NA	SJI-11-T-163	25,318
Comparative Workload Study (5105)	NA	SJI-12-T-078	45,000
Ensuring Language Access Outside the Courtroom (5111)	NA	SJI-12-N-156	89,016
Subtotal State Justice Institute			<u>186,468</u>
Total State Justice Institute			<u>186,468</u>
Total Expenditures of Federal Awards			<u>\$ 1,607,038</u>

\* - Tested as a major program

**Note 1> Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Administrative Office of the Courts (AOC) under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the AOC, it is not intended to and does not present the financial position, changes in net position or cash flows of the AOC.

**Note 2> Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on an accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB 2 CFR Part 225, *Cost Principles for State, Local and Indian Tribal Governments* (OMB Circular A-87), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**Note 3> Subrecipients**

Of the federal expenditures presented in the schedule, the AOC did not provide federal awards to subrecipients.

## **OTHER REPORTS**

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

Hector H. Balderas  
New Mexico State Auditor  
and  
Honorable Petra J. Maes, Chairperson  
Administrative Office of the Courts  
Santa Fe, New Mexico

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, 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, 2013, and the related notes to the financial statements, which collectively comprise the AOC's basic financial statements, and the combining and individual funds and related budgetary comparisons of the AOC, presented as supplemental information, and have issued our report thereon dated December 9, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit, of the financial statements, we considered the AOC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the AOC's internal control. Accordingly, we do not express an opinion on the effectiveness of the AOC's internal control.

*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 a 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. *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.

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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item 2013-01

#### Compliance and Other Matters

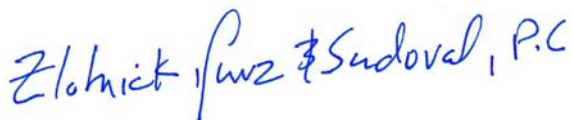
As part of obtaining reasonable assurance about whether the AOC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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 instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards* and by Section 12-6-5 NMSA 1978 which are described in the accompanying schedule of findings and questioned costs as items 2008-06 to 2012-04 and 2013-02.

#### AOC's Responses to the findings

The AOC's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The AOC's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Zlotnick, Laws & Sandoval, P.C.  
December 9, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Hector H. Balderas  
New Mexico State Auditor  
and  
Honorable Petra J. Maes, Chairperson  
Administrative Office of the Courts  
Santa Fe, New Mexico

**Report on Compliance for Each Major Federal Program**

We have audited the State of New Mexico, Administrative Office of the Courts' (AOC) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the AOC's major federal programs for the year ended June 30, 2013. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the AOC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the AOC's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the AOC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

### **Report on Internal Control Over Compliance**

Management of the AOC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the AOC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-03 that we consider to be a significant deficiency.

The AOC's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The AOC's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Zlotnick, Laws & Sandoval, P.C.*

Zlotnick, Laws & Sandoval, P.C.  
December 9, 2013

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**Section I - Summary of Auditor's Results**

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**Financial Statements**

Type of auditors' report issued: Unqualified Opinion

Internal control over financial reporting:

A. Material weaknesses identified  Yes  No

B. Significant deficiencies identified that are not considered to be material weaknesses?  Yes  No

Noncompliance material to the financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

A. Material weaknesses identified?  Yes  No

B. Significant deficiencies identified that are not considered to be material weaknesses?  Yes  No

Type of auditors' report issued on compliance for major programs: Unqualified Opinion

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

Identification of major programs:

CFDA Numbers

20.600

93.586

Name of Federal Program or Cluster

DWI/Drug Court Expansion.

State Court Improvement Program.

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

Auditee qualified as low-risk auditee?  Yes  No

**STATE OF NEW MEXICO  
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**Summary Schedules of Findings and Questioned Costs  
Year Ended June 30, 2013**

No.	Title	Status of Prior Year Findings	Significant Deficiency	Material Weakness	Compliance	Other Matters	Federal Awards Finding
<b>Prior Year Findings:</b>							
2008-06	Traffic Violation – Abstract not forwarded to DMV on time	Repeated				x	
2010-01	Case File Management	Repeated				x	
2010-02	Bonds Outstanding over Six Months and Other Bond Issues	Repeated				x	
2010-03	Cash Handling	Resolved					
2012-01	Fraud Policy	Resolved					
2012-02	Vouchers Test	Resolved					
2012-03	Personnel Records Maintenance – Other	Repeated				x	
2012-04	Cash Receipts	Repeated			x		
2012-05	Cost Principles for Personal Services	Resolved					
2012-06	Matching	Resolved					
2012-07	Subrecipient Monitoring	Resolved					
2012-08	Procurement, Suspension and Debarment	Resolved					
<b>Current Year Findings:</b>							
2013-01	Leave Accrual		x				
2013-02	Compliance with Regulations				x		
2013-03	Payroll Allocations						x

**STATE OF NEW MEXICO  
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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2013**

**Section II - Financial Statement Findings**

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**SIGNIFICANT DEFICIENCY**

**2013-01**

**Leave Accrual**

**Condition:**

While performing our tests of controls over payroll we found one (1) instance where an individual employee was not accruing the correct amount for annual leave.

The SHARE's leave balance report used to accrue leave liabilities contained many errors. There were 16 employees that were on the 6/21/13 payroll but were not included in the leave balance report. Also, the annual leave balances on the SHARE report did not agree to the leave balances on employee paystubs for pay period ending 6/21/13. We reviewed 30 employee paystubs and 15 or 50% contained errors; the SHARE report tends to understate the employee's leave balances.

**Criteria:**

New Mexico Judicial Branch Personnel Rules Section 5.04 states that an employee shall accrue annual leave in proportion to hours worked up to a maximum of 80 hours per pay period, and leave balance reports should be accurate.

**Effect:**

The accrued compensated absences were inaccurate and the employee did not accrue the annual leave hours they were entitled to.

**Cause:**

The SHARE report used to determine leave liabilities at year end was not generated and printed on the same date as the employee paystubs. The SHARE report does not capture accurate information when generated after the fact.

**Recommendation:**

Unless a more accurate leave balance report can be found in SHARE, we recommend that the AOC use the employee paystubs to determine year end leave liabilities. We also recommend that the individual employee's leave balance be adjusted to the proper balance, and that a careful review of any hours worked by any employee that was coded to employee education be performed to determine if other employees have been shorted annual leave hours such as the one we found during our audit procedures.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2013**

**Section II - Financial Statement Findings**

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Management Response:

AOC HRD has been systematically auditing employee personnel files, to include the thorough review of employee leave accrual rates, and leave balances. AOC HRD identified the need for an educational leave usage audit in July 2013, and has been steadily addressing the past usage of this SHARE time reporting code, as well as ensuring its appropriate usage in the future. Audits will continue into the new fiscal year until all employee leave accrual balances and records have been appropriately reviewed.

AOC has been using the leave liability report provided in SHARE since inception to calculate compensated absences. It is unknown to the AOC why certain individuals were not included in the report and leave balances were not accurate when compared to actual employee pay checks since the 16 employees mentioned did receive checks prior to, and after, June 30, 2013. In addition, there is no guidance in the Manual of Model of Accounting Practices published by the Department of Finance and Administration on the process of gathering the correct data and calculating compensated absences. AOC will manually calculate the compensated absences at fiscal year-end by using actual employee pay check leave accrual data on a go forward basis in subsequent fiscal years to calculate this liability.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2013**

**Section II - Financial Statement Findings**

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**OTHER MATTERS**

**2008-06**

**Traffic Violation – Abstract not forwarded to DMV on time (Repeated)**

Condition:

Of the twelve Magistrate Courts visited, we noted case files at 2 of the courts contained traffic violation abstracts that had not been forwarded to the Department of Motor Vehicles in a timely manner. In 1 of the courts we noted that the wrong Notice of Failure to Appear in Court form was forwarded to DMV in cases where the defendant held an out of state driver's license.

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. Two different Notice of Failure to Appear in Court forms are used: One for New Mexico drivers and another (marked NRVC) for drivers with an out of state driver's license.

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 record and late reporting to the defendant's insurance carrier. In the case of an out of state drivers license, the result of using the wrong Notice of Failure to Appear in Court form is that the Notice is not forwarded to the other state at all.

Cause:

Court clerks' often get very busy and forget to submit the abstract. The 1 court in question was not aware that a different Notice of Failure to Appear in Court form existed.

Recommendation:

This condition should be a point of emphasis in all AOC training sessions. The situation should also be monitored as often as is practical. The matter as to which Notice of Failure to Appear in Court form to forward should be clarified with all court clerks.

Management Response:

Management will revisit the procedure and requirement for timely submission of abstracts to MVD and ensure that all courts are aware that two separate forms are available in

**STATE OF NEW MEXICO  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2013**

**Section II - Financial Statement Findings**

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Odyssey for reporting instances of failure to appear for noticed hearings regarding qualifying motor vehicle code violations.

Management is undertaking to automate submission of approximately 95% of abstract data to MVD. When this project is implemented it should significantly reduce the number of abstracts improperly processed.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2013**

**Section II - Financial Statement Findings**

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**2010-01**

**Case File Management (Repeated)**

Condition:

At the twelve Magistrate Courts visited, we noted the following circumstances related to case file management: A) 1 Court where the case file selected could not be located. B) 1 Court where a copy of the Agreement to Pay was not found in the case file. C) 4 Courts where the Agreement to Pay in the case file was not signed by the defendant. D) 3 Courts where the Agreement to Pay was not reflected in the Odyssey computer case management program. E) 1 Court where there was no indication of the disposition of the case in the case file. F) 1 Court where a Cash Bond that had been refunded still reflected as outstanding in Odyssey. G) 1 Court where the Agreement to Pay did not agree to the Judgment and Sentencing form signed by the judge. H) 1 Court where the amount shown on the cash receipt did not agree to the written bond receipt.

Criteria:

Both the paper case file and the Odyssey system should always reflect the current status of the case as it progresses through the judicial process. The paper case file and the Odyssey system should agree as to the details and progress of the case.

Effect:

Cases could be improperly handled in a variety of ways if the file does not contain a complete record of all actions in the adjudication of the case. The Court runs the risk of failing to properly execute its' duty to enforce the Statutes of New Mexico.

Cause:

The Courts are very busy and operating with a limited number of personnel. Turnover and training is always an issue. In addition, the Odyssey system was just rolled out during the past fiscal year and is not completely free of transition errors.

Recommendation:

The AOC and the Magistrate Courts should continue to do their best with training and internal audits to minimize the types of errors described.

Management Response:

**Case selected could not be located** – Magistrate Courts are required to maintain a tickler system so that files are organized and may be located upon request. In addition, Odyssey provides a method for tracking the location of case files. Management will review proper



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ADMINISTRATIVE OFFICE OF THE COURTS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**Section II - Financial Statement Findings**

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case file maintenance and reinforce the use of tools available to ensure proper tracking of all court case files.

**Agreement to Pay was not found in the case file.** – The J&S is the enforceable order that sentences and requires payment of fines and fees imposed by the court. Per current Odyssey procedures, the court documents payment terms for fines and fees due on the J&S. In instances where the balance due is not satisfied in full on the date the case is adjudicated, the court has the option to order community service hours be performed in lieu of the fines and fees or issue a payment plan. The purpose of the payment plan is to remind the defendant of the defendant’s financial obligations to the court. If an Agreement to Pay is generated, a copy should be in the court file. Requirements for payment plans will be revisited with court staff.

**Agreement to Pay in the case file was not signed by the defendant.** – In some instances, the agreements to pay are mailed to the defendants when defendants do not appear in the court. Management will recommend that court staff document instances where documents are mailed to the defendant for signature and remind court staff to ensure that all required signatures are secured before defendants leave the court.

**Agreement to Pay was not reflected in the Odyssey computer case management program.** – Requirements for docketing of events in Odyssey are reviewed regularly during trainings provided to court staff.

**No indication of the disposition of the case in the case file.** – Requirements for appealable final orders will be revisited with court staff. This past fiscal year, for the first time, the evaluation of court managers included an evaluation of a management report generated from Odyssey showing the percentage of criminal cases where some or all of the counts were not disposed. Having this report and evaluating the court managers on their courts’ performance will hopefully lessen the number of case files where the disposition is not indicated.

**Cash Bond that had been refunded still reflected as outstanding in Odyssey.** – This issue was the result of the bond status not being updated to reflect the cash bond had been refunded. Proper use of bond statuses will be reviewed with court staff. In addition, an intensive effort is underway to update bond statuses.

**Agreement to pay did not agree to the Judgment and Sentence** – The J&S and agreement to pay in this case were generated manually and the agreement to pay included

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a fee not assessed on the J&S. This issue was resolved with the implementation of Odyssey. The J&S and payment plan are now generated through Odyssey based on the sentence recorded in the system.

**Amount shown on the cash receipt did not agree to the written bond receipt.** - The cash receipt issued through Odyssey was correct but the clerk recorded the incorrect cash bond deposit amount on the receipt issued from the bond receipt book. Management will recommend court staff verify the information on the receipts prior to issuing them to the defendants or payors of the bonds.

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**Year Ended June 30, 2013**

**Section II - Financial Statement Findings**

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**2010-02**

**Bonds Outstanding over Six Months and Other Bond Issues (Repeated)**

Condition:

Of the twelve Magistrate Courts visited, we noted that three of those courts had cash bonds that were not refunded or forfeited within six months of posting of the bond. We also noted the following matters regarding bonds. A) In 2 courts we noted a bond received that was refunded to an individual other than the person who actually posted the bond. B) At one court we found that when the completed bond book is delivered to the court by the Sherriff's Office the bonds are not checked against the Odyssey System as required. C) 4 of the Courts were not issuing the Bond receipt mandated by the Supreme Court.

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 form the cash bond record within six months. (New Mexico Magistrate Court Administrative Procedures Manual 11.6.B.1) In order to take proper action on Outstanding Bonds the Court must assure that all bonds posted are properly posted to the case and to the correct individual who posted the bond. The newly mandated bond receipt book contains all of the information necessary to properly refund or convert the bond as appropriate.

Effect:

Bonds over 6 months old are an indication of lack of follow up in some way on an individual case. Efficiency within the court would permit cases to be heard and adjudicated within the 6 month time period. If bonds are not properly recorded as to amount and the name of the individual posting the bond the refund may be erroneously disbursed or otherwise disposed. The purpose for a review of the bond receipt book against the system is to assure that all bonds posted have been accounted for. When the review is not done bonds may be lost, stolen or misplaced.

Cause:

We believe that in the majority of situations the case has been slowed or delayed by the judicial process. (often at the request of the defendant) In the minority of the cases there is a lack of follow up on a bench warrant or a failure to set the case for hearing. Consistent

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follow up on bonds that have been outstanding for more than 6 months will identify those types of cases. Other errors related to accounting for bonds are simply the result of clerk error.

Recommendation:

The AOC and the Magistrate Courts should continue to emphasize the need for magistrate clerks to follow-up on the detail bond listing and provide a written explanation of bonds which exceed the 6 month limitation. We also recommend that bonds that come to a court by any route other than payment at the cashier's window should be logged on the mail log and handled accordingly. Ongoing training sessions about the handling of bonds is always helpful.

Management Response:

**Cash bonds not refunded or forfeited within six months of posting of the bond** – Magistrates have discretion to hold bonds beyond the six months in instances where the cases have not been adjudicated and bonds are required to ensure the defendant's appearance at court hearings. However, current procedures require courts to document reasons for holding bonds beyond the six months on the outstanding bond report submitted to the Fiscal Services Division with their monthly reports. Requirements for documentation will be addressed with court staff.

**Completed bond books delivered to the court by the Sherriff's Office are not checked against the Odyssey System as required** – Current procedures require court staff to verify the numerical sequencing of bonds received from local law enforcement agencies and detention centers to ensure that all bonds posted at outside agencies was received by the court. Management will revisit this requirement and ensure that courts are properly tracking bonds.

**Bond received was receipted to an individual other than the person who actually posted the bond** - Odyssey procedures require receipts to be issued to the person posting bonds. Requirements for receipting cash bonds will be revisited with court staff.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2013**

**Section II - Financial Statement Findings**

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**2012-03**

**Personnel Records Maintenance – Other (Repeated)**

Condition:

Documents that are required to be present in personnel records were missing or inadequate. Our review of personnel files revealed a missing Deferred Comp enrollment form.

Criteria:

New Mexico Judicial Branch Personnel Rules and Code of Conduct, Audit Rule 2013 2.2.2.10 G NMAC, and 12-6-5 NMSA.

Effect:

The AOC is out of compliance with personnel rules as they relate to personnel file documentation.

Cause:

Responsible personnel did not follow proper procedures in maintaining files.

Recommendation:

Management must ensure that all personnel files contain all required documents and that those documents are filed in a systematic and orderly manner.

Management Response:

As a result of the recommendations in the FY 12 audit, HRD has been systematically auditing employee personnel files for all required forms. Employee file audits have become measurement criteria for HR employee's performance and development plans. Audits will continue into the new fiscal year until all files have been appropriately reviewed. HR has implemented the use of new hire and termination checklists to ensure appropriate documents are returned to HR for record keeping. Employee records have been separated into three files, segregating medical records, in order to maintain compliance with HIPAA. HR has implemented a file management system to ensure each file contain the appropriate records in compliance with the NM Public Records Act. Internal audit processes will continue to be monitored and developed moving forward.

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ADMINISTRATIVE OFFICE OF THE COURTS**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2013**

**Section II - Financial Statement Findings**

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**COMPLIANCE**

**2012-04**

**Cash Receipts (Repeat)**

Condition:

We selected 44 deposit days to test the cash receipts. We found six (6) instances where the cash receipts were not deposited within the 24 hour time requirement.

Criteria:

The Public Money Act [Chapter 6-10-3 NMSA 1978] requires that state agencies receiving any money for or on behalf of the state shall remit to the State Treasurer before the close of the next succeeding business day after the receipt of money.

Effect:

Non-compliance with State Law.

Cause:

No explanation was provided for the late deposit.

Recommendation:

The Agency should make every effort to comply with the state law.

Management Response:

These deposits were all from the Jury and Witness Fund – specifically, payments from interpreters for registration for conferences and certification exams. Because of the manner in which the payments were received and handled, this unknowingly caused several delays in some of these deposits. Typically, these payments are mailed directly to the Jury Project Manager’s assistant where they are recorded, then sent to fiscal via inter-office mail. These would sometimes get mixed in with the high volume of daily mail received by the Jury desk and sometimes could be missed if the person processing jury payments was out of the office. In this past year, this person was out on FMLA leave periodically so checks may have stayed with the mail for several days before being processed.

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2013**

**Section II - Financial Statement Findings**

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As a result, the Fiscal Services Division has refined the process in which these checks are received and receipted. Checks will now be sent “inter-office” mail in a special envelope marked “JURY DEPOSIT” so that anyone picking up and/or distributing the daily mail will know to deliver the envelope (with check) to the appropriate person logging in the deposit for the day. In turn, the check will be deposited the next day and, within the 24 hour period required by law.

**STATE OF NEW MEXICO  
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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2013**

**Section II - Financial Statement Findings**

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**2013-02**

**Compliance with Regulations**

Condition:

We found the following matters that related to the Magistrate Courts failing to comply with regulations and procedures; of the twelve Courts we visited we noted the following: A) 2 Courts were writing agreements to pay for fines and fees of less than \$100 which allowed for more than 1 payment of the balance, thus extending the final payment beyond the 30 days allowed by policy directive. This was done without a written finding of hardship in the file. B) 3 Courts where a Bench Warrant was not issued 30 days after the defendant failed to comply with the Agreement to Pay. C) 3 Courts with outstanding checks more than 6 months old.

Criteria:

Operation of the court is governed by the New Mexico Magistrate Court Administrative Procedures Manual. The manual is authorized and approved by the New Mexico Supreme Court as the best practices for Magistrate Courts to be efficient and effective. Local Magistrates should not have the authority to over ride these procedures and courts should comply in every respect.

Effect:

The authority of the courts to enforce the law is undermined when cases are not properly followed through to completion. The State of New Mexico also loses revenue from fines and fees that should be paid by those who break the law.

Cause:

Errors usually occur as the result of turnover of clerk personnel and inexperience. In some cases the lack of compliance is an isolated anomaly. In other cases local magistrates and clerks justify their actions by doing what they believe is best for their local situation.

Recommendation:

The New Mexico Magistrate Court Administrative Procedures Manual should be followed by all Magistrate Courts in the state. Training should make it clear that exceptions are not appropriate.



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**Section II - Financial Statement Findings**

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Management Response:

**Courts were writing agreements to pay for fines and fees of less than \$100 which allowed for more than 1 payment of the balance, thus extending the final payment beyond the 30 days allowed by policy directive. This was done without a written finding of hardship in the file.** – An order to document hardship and modification of payment plans has been made available in Odyssey. Management will revisit the requirements for documenting hardship in cases where payment agreements deviate from minimum requirements set forth through Policy Directive #7.

**Bench Warrant was not issued 30 days after the defendant failed to comply with the Judgment and Sentence** - Per Policy Directive #7, courts have 30 days from the date of default of the payment to address failure to pay issues before a bench warrant needs to be issued. Requirements for addressing and documenting failure to pay issues are regularly addressed by JID and Warrant Enforcement staff. This past fiscal year, for the first time, the evaluation of court managers included results from a management report generated from Odyssey showing the percentage of criminal cases where warrants for failure to pay were not timely generated. Having this report and evaluating the court managers on their courts' performance will hopefully lessen the number of bench warrants for failure to pay that are not timely issued.

**Outstanding checks more than 6 months old** – This issue is reviewed and addressed by AOC Fiscal Services staff on a regular basis. Management will work with Fiscal Services to identify courts with continuing issues in this area and address the procedure directly with those courts.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2013**

**Section III – Federal Awards Findings**

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**2013-3**

**Payroll Allocations**

Condition:

The Administrative Office of the Courts accounts for all federal grants under the grant fund (49500). All expenditures charged to this fund except payroll and benefits are allocated to various Federal grant project codes. Employees paid out of the grant fund are not allocated to the proper Federal grant project codes.

Criteria:

Under OMB Circular A-133, Section 105, *Audits of States, Local Governments, and Non-Profit Organizations*, the objectives of internal control pertaining to the compliance requirements for Federal programs are to ensure transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and Federal reports.

Effect:

Payroll expenditures may not be charged to the correct funding source. Federal reports of costs incurred may be incorrect.

Cause:

Employees are not setup in SHARE (Human Capital Management) correctly so that their wages and benefits are coded to specific Federal grant projects.

Recommendation:

If assigning an employee to specific project(s) is not feasible, the AOC can prepare monthly journal entries to allocated wages and benefits to proper Federal grant project codes.

Management Response:

The AOC tracks payroll expenditures on a separate spreadsheet that is reconciled every month with grant project managers. These expenditures are also allocated appropriately in the Schedule of Expenditures of Federal Awards (SEFA) report and validated by the external auditor. The AOC does agree that these expenditures should be also allocated by project in the statewide SHARE system and will develop processes to ensure that payroll allocations for federal grants be recorded in the SHARE system.

**STATE OF NEW MEXICO  
ADMINISTRATIVE OFFICE OF THE COURTS  
EXIT CONFERENCE  
Year Ended June 30, 2013**

We discussed the recommendations contained in this letter during the exit conference held December 11, 2013. The exit conference was attended by the following individuals:

Administrative Office of the Courts

Honorable Petra J. Maes	Chairperson
Arthur Pepin	Director
Patrick Simpson	Deputy Director
Karen Janes	Director, Magistrate Court Division
Oscar Arevalo	Director, Fiscal Services Division
Lynette Paulman-Rodriguez	Director of Human Resources
Lydia Romero	Asst. Director, Fiscal Services Division
Rosie Salgado	Court Financial Manager
Marie Salazar	Financial Supervisor
Charlene Romero	Internal Auditor

Zlotnick, Laws & Sandoval, P.C.

Asa Laws	CPA
Ban Trinh	CPA



Supreme Court of New Mexico  
Administrative Office of the Courts  
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