



State of
New Mexico
Office of the
District Attorney
Twelfth Judicial
District

Annual Financial Report
For the Year Ended June 30, 2016

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STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
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June 30, 2016

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STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Official Roster
June 30, 2016

<u>Name</u>		<u>Title</u>
	Elected Officials	
David Ceballes		District Attorney
	Administration	
Scot Key		Chief Deputy District Attorney
Rhonda Sanchez		Chief Financial Officer
Matthew Salinas		IT Administrator
Debra Garcia		Human Resource Officer
Gloria Seifert		Office Manager

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
David Ceballes, District Attorney
Office of the District Attorney, Twelfth Judicial District
Alamogordo, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the budgetary comparisons for the general fund and major special revenue funds of the Office of the District Attorney, Twelfth Judicial District (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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.

Auditors' 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 auditors' 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 District'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 District'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.

Emphasis of Matter

As discussed in Note 1, the financial statements of the District are intended to present the financial position, the changes in financial position of the governmental activities and each major fund of the State of New Mexico that is attributed to the transactions of the District. They do not purport to, and do not, present fairly, the financial position of the State of New Mexico as of June 30, 2016, the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10 through 12 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 inquires 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.

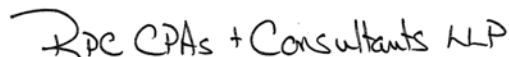
Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements and the budgetary comparisons. Schedule I required by Section 2.2.2 NMAC is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The introductory section and Schedule I have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.



RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
November 3, 2016

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Management's Discussion and Analysis
June 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statement consists of the following: government-wide financial statements, governmental funds statements and a statement reconciling the government-wide financial statements to the governmental fund statements.

Basic Financial Statements (Statement of Net Position and Statement of Activities)

Basic financial statements report information about the District, as a whole; using accounting methods similar to those used by private-sector companies. 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 basic financial statements report the District's net position and how they have changed.

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 District's significant funds. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District operates on State General Fund appropriations and federal grant awards. Income sources or programs are tracked using department codes.

Analysis of Financial Position (Statement of Net Position)

Total Assets: Total assets of \$344,111 includes cash on deposit with the State Treasurer (\$213,091), receivables of (\$53,248) and capital assets (\$77,772).

Total Liabilities: Total Liabilities of \$259,808 includes Accounts Payable (\$14,070), reversion due to State General Fund (\$4,694), accrued payroll and related liabilities (\$113,613), and compensated absences (\$127,431).

Net Position: Total Net Position of \$83,303 includes \$77,772 invested in capital assets and \$134,345 restricted.

Result of Operations: (Statement of Activities)

Total Revenues: State General Fund appropriations and federal awards provide the majority of the revenues, consisting of \$3,194,948: \$2,819,600 for appropriations and \$375,348 for program revenues, which was used for operational purposes.

Total Expense: Expenses are primarily operational, and include employee salaries and benefits, other operating costs, and depreciation \$25,157 totaling \$3,251,629.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Management's Discussion and Analysis
June 30, 2016

Analysis of District Attorney's Overall Financial Position and Result Operations

	<u>2016</u>	<u>2015</u>
Assets:		
Current and other assets	\$ 266,339	\$ 322,729
Capital assets	<u>77,772</u>	<u>71,468</u>
Total assets	<u>\$ 344,111</u>	<u>\$ 394,197</u>
Total Liabilities	\$ 259,808	\$ 249,351
Net position:		
Net investment in capital assets	77,772	71,468
Restricted	134,345	-
Unrestricted	<u>(127,814)</u>	<u>73,378</u>
Total net position	<u>84,303</u>	<u>144,846</u>
Total net position and liabilities	<u>\$ 344,111</u>	<u>\$ 394,197</u>
Revenue:		
Program revenue	\$ 376,563	\$ 314,599
Appropriations	2,814,906	2,736,940
Misc. revenue	<u>-</u>	<u>4,000</u>
Total revenues	<u>3,191,469</u>	<u>3,055,539</u>
Expenses:		
Personnel services	3,226,472	3,056,854
Depreciation	25,157	33,360
Other costs	<u>-</u>	<u>-</u>
Total expenses	<u>3,251,629</u>	<u>3,090,214</u>
(Decrease) in net position	<u>\$ (60,160)</u>	<u>\$ (34,675)</u>

Total assets decreased as a result of an overall loss in operations. The District purchased capital assets in the current year as well as had higher expenses related to personnel services and benefits and other expenditures.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Management's Discussion and Analysis
June 30, 2016

Analysis of Significant Changes in Individual Funds

We received additional monies in VOCA Grant and an additional VAWA Grant for FY 16.

Analysis of Significant Budget Variances

The District required 2 budget adjustments during the fiscal year. The agency adjusted the budget in the Southwest Border protection fund (consolidated with the General Fund in these financial statements) to carry forward fund balance. The agency's general fund, "other costs" were increased by \$50,000 and personnel services were decreased by the same amount.

Significant Capital Asset and Long-Term Debt Activity

Net capital assets increased as a result of purchasing additional equipment.

The only long-term debt is due to compensated absences payable for which the District had no long-term portion in the current year.

General Fund Budgetary Highlights

The State of New Mexico, Office of the District Attorney, Twelfth Judicial District intends to continue to lobby the legislature to increase the funding from the General Fund, and also will continue to seek out sources of federal funds.

The State Legislature makes annual appropriations to the State of New Mexico, Office of the District Attorney, Twelfth Judicial District. Amendments to the budget require approval by the Budget Division of the Department of Finance and Administration (DFA). Over the course of the year, the State of New Mexico, Office of the District Attorney, Twelfth Judicial District revised its budget. These budget amendments fall into two categories:

1. Increases or reallocation of appropriations to prevent budget overruns.
2. Increases to account for grant increases or new grants.

Currently Known Facts Expected to Have a Significant Effect on the Agency Financials

For Fiscal Year 2016 and beyond the agency will no longer be able to apply for the Southwest Border Grant, which is no longer available. This was a federal grant that provided the agency with a substantial amount to maintain up to 4 additional staff each year. We have been notified that our HIDTA Federal Grants will be cut in half for Fiscal Year 18. However, for FY 16 and FY 17, we have received additional monies from our VOCA Grants.

Agency Contact Information

12th Judicial District Attorney
1000 New York Ave. Room 101
Alamogordo, NM 88310
Rhonda Sanchez, CFO
575-443-2646

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Statement of Net Position
June 30, 2016

Exhibit A-1

	Governmental Activities
Assets	
Current assets:	
Investments in the State Treasurer's General Fund Investment Pool	\$ 213,091
Due from other state agencies	53,248
Total current assets	266,339
Noncurrent assets:	
Capital assets, net	77,772
Total noncurrent assets	77,772
<i>Total assets</i>	\$ 344,111
Liabilities and net position	
Liabilities	
Current liabilities:	
Accounts payable	\$ 14,070
Accrued expenses	113,613
Current portion of accrued compensated absences	127,431
Due to State General Fund:	
Current year reversion	4,694
Total current liabilities	259,808
<i>Total liabilities</i>	259,808
Net position	
Net investment in capital assets	77,772
Restricted for:	
Special revenue	134,345
Unrestricted	(127,814)
<i>Total net position</i>	84,303
<i>Total liabilities and net position</i>	\$ 344,111

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

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Statement of Activities
For the Year Ended June 30, 2016

Exhibit A-2

	Governmental Activities
Program expenses	
General government:	
Administrative services	\$ 3,226,472
Depreciation	25,157
<i>Total program expenses</i>	3,251,629
Program revenues	
Operating grants and contributions:	
Federal grants	375,348
Miscellaneous	1,215
<i>Total program revenues</i>	376,563
Net program income	(2,875,066)
General Revenues (Expenses)	
State General Fund appropriation	2,819,600
Reversion to the State General Fund	(4,694)
<i>Total general revenues (expenses)</i>	2,814,906
Change in net position	(60,160)
Net position - beginning of year	144,463
<i>Net position - end of year</i>	\$ 84,303

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

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Balance Sheet
Governmental Funds
June 30, 2016

	<u>General Fund</u>	<u>Violence Against Women's Act (VAWA)</u>	<u>HIDTA</u>
Assets			
Investments in the State Treasurer's General Fund Investment Pool	\$ 112,066	\$ -	\$ -
Due from other state agencies	-	12,690	-
<i>Total assets</i>	<u>\$ 112,066</u>	<u>\$ 12,690</u>	<u>\$ -</u>
Liabilities and fund balances			
Liabilities			
Overdraft	\$ -	\$ 11,269	\$ -
Accounts payable	5,453	-	-
Accrued expenses	102,302	1,421	-
Due to State General Fund: Current year reversion	4,694	-	-
<i>Total liabilities</i>	<u>112,449</u>	<u>12,690</u>	<u>-</u>
Fund balances			
Spendable:			
Restricted	-	-	-
Unassigned	(383)	-	-
<i>Total fund balances</i>	<u>(383)</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 112,066</u>	<u>\$ 12,690</u>	<u>\$ -</u>

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

Southwest Border	Victims of Crime Act (VOCA)	Total
\$ 130,819	\$ -	\$ 242,885
<u>-</u>	<u>40,558</u>	<u>53,248</u>
<u>\$ 130,819</u>	<u>\$ 40,558</u>	<u>\$ 296,133</u>
\$ -	\$ 18,525	\$ 29,794
8,617	-	14,070
4,817	5,073	113,613
<u>-</u>	<u>-</u>	<u>4,694</u>
<u>13,434</u>	<u>23,598</u>	<u>162,171</u>
117,385	16,960	134,345
<u>-</u>	<u>-</u>	<u>(383)</u>
<u>117,385</u>	<u>16,960</u>	<u>133,962</u>
<u>\$ 130,819</u>	<u>\$ 40,558</u>	<u>\$ 296,133</u>

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

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STATE OF NEW MEXICO

Office of the District Attorney

Twelfth Judicial District

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2016

Exhibit B-1

Page 2 of 2

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

Fund balances - total governmental funds	\$	133,962
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		77,772
Certain liabilities, including current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued compensated absences not due and payable at year end		<u>(127,431)</u>
<i>Total net position of governmental activities</i>	\$	<u><u>84,303</u></u>

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

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Statement of Revenues, Expenditures, and Change in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General Fund	Violence Against Women's Act (VAWA)	HIDTA
Revenues			
Intergovernmental income:			
Federal operating grants	\$ -	\$ 37,873	\$ 239,314
Miscellaneous	-	-	-
<i>Total revenues</i>	-	37,873	239,314
Expenditures			
Current:			
Administrative services:			
Personnel services and employee benefits	2,576,912	37,873	239,314
Contractual services	28,971	-	-
Other	177,562	-	-
Capital outlay	31,461	-	-
<i>Total expenditures</i>	2,814,906	37,873	239,314
Excess (deficiency) of revenues over expenditures	(2,814,906)	-	-
Other financing sources (uses)			
State General Fund appropriation	2,819,600	-	-
Reversion to the State General Fund	(4,694)	-	-
<i>Total other financing sources (uses)</i>	2,814,906	-	-
Net change in fund balances	-	-	-
<i>Fund balances - beginning of year, as originally stated</i>	177,858	-	-
<i>Reclassification (Note 16)</i>	(178,241)	-	-
<i>Fund balances- beginning of year, reclassified</i>	(383)	-	-
<i>Fund balances - end of year</i>	<u>\$ (383)</u>	<u>\$ -</u>	<u>\$ -</u>

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

Southwest Border	Victims of Crime Act (VOCA)	Total
\$ -	\$ 98,161	\$ 375,348
1,215	-	1,215
<u>1,215</u>	<u>98,161</u>	<u>376,563</u>
7,280	97,734	2,959,113
10,127	-	39,098
44,664	427	222,653
-	-	31,461
<u>62,071</u>	<u>98,161</u>	<u>3,252,325</u>
<u>(60,856)</u>	<u>-</u>	<u>(2,875,762)</u>
-	-	2,819,600
-	-	(4,694)
<u>-</u>	<u>-</u>	<u>2,814,906</u>
<u>(60,856)</u>	<u>-</u>	<u>(60,856)</u>
-	16,960	194,818
<u>178,241</u>	<u>-</u>	<u>-</u>
<u>178,241</u>	<u>16,960</u>	<u>194,818</u>
<u>\$ 117,385</u>	<u>\$ 16,960</u>	<u>\$ 133,962</u>

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

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STATE OF NEW MEXICO

Office of the District Attorney

Twelfth Judicial District

Reconciliation of the Statement of Revenues, Expenditures, and Change
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$	(60,856)
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Governmental funds report capital outlays as expenditures. However, in
the Statement of Activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense:

Capital outlay	31,461
Depreciation expense	(25,157)

Expenditures in the Statement of Activities that do not require the use of
current financial resources and therefore are not reported as expenditures
in the governmental funds:

Increase in accrued compensated absences	<u>(5,608)</u>
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<i>Change in net position of governmental activities</i>	<u><u>\$ (60,160)</u></u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO

Exhibit C-1

Office of the District Attorney

Twelfth Judicial District

Statement of Revenues, Expenditures, and Change in Fund Balance

Budget (GAAP Budgetary Basis) and Actual

General Fund

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Intergovernmental income:				
Federal operating grants	\$ -	\$ -	\$ -	\$ -
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	-	-	-	-
Expenditures				
Current:				
Administrative services:				
Personnel services and employee benefits	2,644,000	2,577,000	2,576,912	88
Contractual services	29,000	29,000	28,971	29
Other	132,139	182,139	177,562	4,577
Capital outlay	31,461	31,461	31,461	-
<i>Total expenditures</i>	2,836,600	2,819,600	2,814,906	4,694
Excess (deficiency) of revenues over expenditures	(2,836,600)	(2,819,600)	(2,814,906)	4,694
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	-	-	-	-
State General Fund appropriation	2,836,600	2,819,600	2,819,600	-
Reversion to the State General Fund	-	-	(4,694)	(4,694)
<i>Total other financing sources (uses)</i>	2,836,600	2,819,600	2,814,906	(4,694)
Net change in fund balance	-	-	-	-
<i>Fund balances - beginning, as originally stated</i>	-	-	177,858	177,858
<i>Reclassification (Note 16)</i>	-	-	(178,241)	(178,241)
<i>Fund balance, beginning as reclassified</i>	-	-	(383)	(383)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (383)	\$ (383)

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

STATE OF NEW MEXICO

Exhibit C-2

Office of the District Attorney

Twelfth Judicial District

Statement of Revenues, Expenditures, and Change in Fund Balance
 Budget (GAAP Budgetary Basis) and Actual
 Violence Against Women's Act (VAWA) Special Revenue Fund
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Intergovernmental income:				
Federal operating grants	\$ 41,300	\$ 41,262	\$ 37,873	\$ (3,389)
<i>Total revenues</i>	<u>41,300</u>	<u>41,262</u>	<u>37,873</u>	<u>(3,389)</u>
Expenditures				
Current:				
Administrative services:				
Personnel services and employee benefits	41,300	41,262	37,873	3,389
Contractual services	-	-	-	-
Other	-	-	-	-
<i>Total expenditures</i>	<u>41,300</u>	<u>41,262</u>	<u>37,873</u>	<u>3,389</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	-	-	-	-
State General Fund appropriation	-	-	-	-
Reversion to the State General Fund	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO

Exhibit C-3

Office of the District Attorney

Twelfth Judicial District

Statement of Revenues, Expenditures, and Change in Fund Balance
 Budget (GAAP Budgetary Basis) and Actual
 High Intensity Drug Trafficking Area (HIDTA) Special Revenue Fund
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Intergovernmental income:				
Federal operating grants	\$ -	\$ -	\$ -	\$ -
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	-	-	-	-
Expenditures				
Current:				
Administrative services:	-	-	-	-
Personnel services and employee benefits	239,300	239,314	239,314	-
Contractual services	-	-	-	-
Other	-	-	-	-
<i>Total expenditures</i>	239,300	239,314	239,314	-
Excess (deficiency) of revenues over expenditures	(239,300)	(239,314)	(239,314)	-
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	-	-	-	-
State General Fund appropriation	239,300	239,314	239,314	-
Reversion to the State General Fund	-	-	-	-
<i>Total other financing sources (uses)</i>	239,300	239,314	239,314	-
Net change in fund balance	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -

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

STATE OF NEW MEXICO

Exhibit C-4

Office of the District Attorney

Twelfth Judicial District

Statement of Revenues, Expenditures, and Change in Fund Balance

Budget (GAAP Budgetary Basis) and Actual

Southwest Border Fund (SBF) Special Revenue Fund

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Intergovernmental income:				
Federal operating grants	\$ -	\$ -	\$ -	\$ -
Miscellaneous income	-	-	1,215	1,215
<i>Total revenues</i>	-	-	1,215	1,215
Expenditures				
Current:				
Administrative services:				
Personnel services and employee benefits	78,000	78,000	7,280	70,720
Contractual services	31,000	31,000	10,127	20,873
Other	62,760	62,760	44,664	18,096
<i>Total expenditures</i>	171,760	171,760	62,071	109,689
Excess (deficiency) of revenues over expenditures	(171,760)	(171,760)	(60,856)	110,904
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	171,760	171,760	-	(171,760)
State General Fund appropriation	-	-	-	-
Reversion to the State General Fund	-	-	-	-
<i>Total other financing sources (uses)</i>	171,760	171,760	-	(171,760)
Net change in fund balance	-	-	(60,856)	(60,856)
<i>Fund balances - beginning, as originally stated</i>	-	-	-	-
<i>Reclassification (Note 16)</i>	-	-	178,241	178,241
<i>Fund balance, beginning as reclassified</i>	-	-	178,241	178,241
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 117,385	\$ 117,385

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

STATE OF NEW MEXICO

Exhibit C-5

Office of the District Attorney

Twelfth Judicial District

Statement of Revenues, Expenditures, and Change in Fund Balance

Budget (GAAP Budgetary Basis) and Actual

Victims of Crime Act (VOCA) Special Revenue Fund

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Intergovernmental income:				
Federal operating grants	\$ 54,100	\$ 126,137	\$ 98,161	\$ (27,976)
Miscellaneous income	-	-	-	-
<i>Total revenues</i>	<u>54,100</u>	<u>126,137</u>	<u>98,161</u>	<u>(27,976)</u>
Expenditures				
Current:				
Administrative services:				
Personnel services and employee benefits	53,400	125,710	97,734	27,976
Contractual services	-	-	-	-
Other	700	427	427	-
<i>Total expenditures</i>	<u>54,100</u>	<u>126,137</u>	<u>98,161</u>	<u>27,976</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Designated cash (budgeted increase in cash)	-	-	-	-
State General Fund appropriation	-	-	-	-
Reversion to the State General Fund	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>16,960</u>	<u>16,960</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,960</u>	<u>\$ 16,960</u>

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

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies

The District Attorney is an elective office established by the Constitution of the State of New Mexico, Article VI, Section 24 and is elected for a four (4) year term. He or she has decision-making authority, the power to designate management, and the responsibility to significantly influence operations and primary accountability for fiscal matters.

It is the duty of the District Attorney to prosecute and defend the state, in all courts of record, in all cases criminal and civil, in which the state or any county in the district may be a party. The District Attorney must represent any county in the district, at the request of the Board of County Commissioners. The District Attorney may also appear before the Board, without being requested to do so, when the Board is sitting as a Board of Equalization. The District Attorney must advise all county and state officers, whenever requested. The District Attorney is required to represent any county in the district before the Supreme Court or the Court of Appeals in all civil cases in which the county may be concerned, but not in suits brought in the name of the state. The District will be included in the State of New Mexico Comprehensive Annual Financial Report (CAFR).

Section 16-1A-15 through Section 36-1A-1 cited as the “DA Personnel and Compensation Act” established for all Districts is a uniform equitable and binding system of personnel administration.

The District is legally separate and fiscally independent of other state agencies, has decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The District is not included in any other governmental “reporting entity” as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. Included within the reporting entity is the District as described above. Other Executive Branch entities of government are excluded because they are established separately by statutes.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of District’s management who is responsible for their integrity and objectivity. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units.

During the year ended June 30, 2016, the District adopted GASB Statements No. 72, Fair Value Measurement and Application, No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, No. 79, Certain External Investment Pools and Pool Participants, and a portion of No 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. GASB Statements Nos. 72, 76, and a portion of 79, as well as the implemented portion of Statement No. 73, are required to be implemented for the fiscal year ending June 30, 2016.

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government’s financial position. Information concerning the investments requiring fair value measurements will be available in the State of New Mexico CAFR, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building 407 Galisteo Street, Santa Fe, New Mexico, 87501.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

GASB Statement No. 73 establishes accounting and financial reporting standards for defined benefit pensions and defined contribution pensions that are not provided to employees of state and local government employers and are not within the scope of Statement 68. A portion of this pronouncement is effective for June 30, 2016 year end and a portion is effective for June 30, 2017 year end. Effective for June 30, 2016 are the amendments for Statement No.s 67 and 68 and assets accumulated for pensions not administered as trusts. The amendments of this pronouncement clarifies application of certain provisions of GASB 67 and 68 with regards to the following issues: (1) Information that is required to be presented as notes to the 10-year schedules of RSI about investment-related factors that significantly affect trends in reported amounts; (2) Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions; and (3) Timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation.

In addition, effective for June 30, 2016 year ends, the requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that, for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

The objective of GASB Statement No. 76 is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements in this Statement improve financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. As a result, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments.

GASB Statement No. 79 addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. A portion of this pronouncement is effective for June 30, 2016 year end and a portion is effective for June 30, 2017 year end. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool for measuring all of its investments at amortized cost for financial reporting purposes. Professional judgement is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide for qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

The objective of GASB Statement No. 82 is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information; (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and; (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements

A. Financial Reporting Entity

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

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities, are in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the District has no component units required to be reported under GASB Statements No. 14, No. 39, or No. 61.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities (also known as proprietary or enterprise funds)*, which rely to a significant extent on fees and charges for support.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on the full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The District's financial statements have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. All other revenue items are considered to be measurable and available only when cash is received by the government.

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the District's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues are categorized as (a) program-specific operating grants, which include revenues received from state and federal sources such as general fund appropriations to be used as specified within each program grant agreement, and (b) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Under the requirements of GASB Statement No. 34, the District is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following, which include funds that were not required to be presented as major but were at the discretion of management.

The District reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund operates under the Statewide Human resources, Accounting, and management Reporting system (SHARE) number #16600 and is classified under district regular. These funds are reverting.

The *Violence Against Women's Act (VAWA) Special Revenue Fund* was created to assist States, Indian tribal governments, tribal courts, State and local courts, and units of local government to develop and strengthen effective law enforcement and prosecution strategies to combat violent crimes against women, and to develop and strengthen victim services in cases involving crimes against women. This federal program encourages the development and implementation of effective, victim-centered law enforcement, prosecution, and court strategies to address violent crimes against women and the development and enhancement of victim services in cases involving violent crimes against women. The authority for the creation of the fund is American Recovery and Reinvestment Act (ARRA) and approved for acceptance by the District Attorney. The VAWA fund operates under the SHARE number #89000. These funds are non-reverting.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The *High Intensity Drug Trafficking Area (HIDTA) Special Revenue Fund* was created to account for proceeds from the Office of National Drug Control Policy- HIDTA grant. The authority for the creation and maintenance of the fund is the requirement of the federal government to maintain a separate fund. The HIDTA fund operates under the SHARE number #91200. These funds are non-reverting.

The *Southwest Border Prosecution Initiative (SWBPI)* fund operates under the SHARE number #91300. This fund supports the prosecution and detention of federally referred cases in four states, including Arizona, California, Texas, and New Mexico. In accordance with Bureau of Justice Assistance (BJA) guidelines, funds awarded may be used by jurisdictions for any lawful purpose. The program is designed to assist jurisdictions in meeting their financial burdens associated with the prosecution of federally funded cases. The source of these funds is federal, and the funds are non-reverting.

The *Victims of Crime Act (VOCA) Special Revenue Fund* was funded to assist victims of violent crimes and is administered at the federal level through the U.S. Department of Justice. Enacted in 1984, VOCA is the central source of federal financial support for direct services to support victim assistance services for victims and survivors of domestic violence, sexual assault, child abuse, drunk driving, homicide, and other crimes. Each state has a designated VOCA assistance agency to administer VOCA grants. The VOCA fund operates under the SHARE number #91400. These funds are non-reverting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the government's various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

D. Assets, Liabilities, and Net Position or Fund Balance

Deposits and investments: The District's cash and cash equivalents consist of noninterest bearing demand deposits held on deposit with the State Treasurer. Collateral pledged to secure these deposits is located in the State Treasurer's financial statements in accordance with GASB Statement No. 40.

Receivables and payables: Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Payables are comprised of unpaid vendor and supplier invoices and are recognized when incurred.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Fund Balance (continued)

Capital assets: Capital assets, which include property, plant, and equipment, are defined by the District as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Information technology equipment including software is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9C(5). Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Machinery and equipment	3-7
Vehicles	5

Accrued expenses: Accrued expenses are comprised of accrued payroll and payroll expenditures based on amounts earned by the employees through June 30, 2016, along with the applicable Public Employees Retirement Association (PERA) and other pension costs.

Compensated absences: The District permits employees to accumulate a limited amount of earned but unused vacation leave based on employment classification and length of employment. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends.

Qualified employees are entitled to accumulate annual and sick leave according to a graduated leave schedule depending on the length of service. No more than thirty (30) working days, or two hundred forty (240) hours of annual leave, may be carried forward from one year to the next. All excess annual leave shall be forfeited if not used. Employees who have over 600 hours of accumulated sick leave can receive payment for the hours over 600 up to 120 hours on July 1st and January 1st of each year. However, those hours will be paid out at fifty percent of the employee's regular hourly wage. There is no limit to the amount of sick leave that an employee may accumulate. Compensatory time is paid out as it is incurred.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide Statement of Net Position.

Pensions: The District, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such this information will be presented in the Component Appropriation Funds Annual Financial Report General Fund and the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Fund Balance (continued)

The net pension liability is a long-term liability that is not directly related to or expected to be paid from the District's governmental funds and therefore not reported in the District's Statement of Net Position. Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the CAFR and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building 407 Galisteo Street, Santa Fe, New Mexico, 87501.

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the New Mexico PERA and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net position or fund balance classification policies and procedures:

Fund balance classification policies and procedures: For restricted fund balances, the District includes amounts that can be spent only for the specific purposes stipulated by statute, ordinance, resolution, or enabling legislation. Fund balances in this category represent the remaining amount that is restricted for future use in the specific fund.

For committed fund balances, the District includes amounts for specific purposes by formal action of the District Attorney of the Twelfth Judicial District.

For assigned fund balances, the District includes amounts that are intended to be spent for specific purposes, but are not restricted or committed.

Regarding the District's spending policies, in all cases, restricted, then committed, and then assigned fund balances are to be expended, in that order, prior to expenditures of any general (unassigned) funds designated for supplementing any given department. In this manner, only after restricted, committed, or assigned funds are expended will the District Attorney permit general unassigned funds be spent to meet a specific fund's objectives.

Restricted Fund Balance: At June 30, 2016, the restricted fund balance on the governmental funds balance sheet is made up of \$134,345 for the restricted purposes as defined by each fund.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Fund Balance (continued)

Equity is classified as net position and displayed in three components:

- a. *Net investment in capital assets:*
This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any related debt attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position:*
Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position:*
All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

E. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the District’s financial statements include the depreciation on capital assets and the current portion of compensated absences.

NOTE 2. Stewardship, Compliance, and Accountability

Budgetary Information

The New Mexico State Legislature makes annual appropriations to the District Attorney. Legal compliance is monitored through the establishment of a budget (modified accrual basis) and a financial control system, which permits a budget to actual expenditure comparison.

Budgeted appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration (DFA) within the limitation as specified in the General Appropriation Act. The budget amounts shown in the financial statements are both the original appropriation and the final authorized amounts as legally revised during the year.

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

- a. No later than September 1st, the District submits to the Judiciary Budget Office (JBO), Legislative Finance Committee (LFC), and DFA an appropriation request for the fiscal year commencing the following July. The appropriation includes proposed expenditures and the means of financing them.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 2. Stewardship, Compliance, and Accountability (continued)

- b. Appropriation request hearings are scheduled by the JBO. Recommendations are made by the JBO to the Supreme Court for its approval. The Supreme Court approved appropriation request is then submitted to the Legislature as the Supreme Court's recommended appropriation request for the District.
- c. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcome of these hearings is incorporated into the General Appropriations Act.
- d. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit. The District submits, no later than May 1st, to DFA an annual operating budget by category and line item based upon the appropriations made by the Legislature. The DFA- Budget Division reviews and approves the operating budget which becomes effective on July 1st.
- e. The legal level of budgetary control is at the appropriation program level.
- f. Formal budgetary integration is employed as a management control device during the fiscal year for the general fund and the special revenue funds.
- g. The budgets for the general fund and the special revenue funds are adopted on the modified accrual basis of accounting, which is a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The budgets do not include prior year encumbrances paid in the current year in the budgetary amounts. Accounts payable accrued at the end of the fiscal year that does not get paid by statutory deadline (Section 6-10-4, NMSA 1978) must be paid out of next year's budget.
- h. All subsequent budget adjustments must be approved by the Director of the DFA- Budget Division.
- i. The District's budget for the fiscal year ending June 30, 2016, was amended in a legally permissible manner by increasing or reallocating appropriation unit totals as the need arose during the fiscal year.
- j. The District's general fund is a reverting fund (funds revert back to the State General Fund) and is required to be reverted by September 30th of each year.
- k. Appropriations lapse at the end of the fiscal year except for those amounts encumbered beginning with the year ended June 30, 2016.
- l. Encumbrances related to single year appropriations lapse at year end. The portion of an encumbrance representing goods and services received by the last day of the fiscal year should be reclassified as accounts payable. Any remaining encumbrances related to single year appropriations must be reclassified as unreserved fund balance and a liability recorded to recognize any amounts subject to reversion.
- m. If there are appropriations for multiple years and related funds are encumbered, there is a reservation of fund balance for encumbrances in the financial statements. The District has no encumbered funds outstanding as of June 30, 2016.

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Notes to the Financial Statements
June 30, 2016

NOTE 2. Stewardship, Compliance, and Accountability (continued)

The budgetary information presented in these financial statements has been amended in accordance with the above procedures. These amendments resulted in the following changes:

Budgeted Funds	Excess (deficiency) of	
	revenues over expenditures	
	Original	Final
	Budget	Budget
Governmental funds:		
General Fund	\$ (2,836,600)	\$ (2,819,600)
VAWA	-	-
HIDTA	(239,300)	(239,314)
SBF	(171,790)	(171,760)
VOCA	-	-

The accompanying Statements of Revenues, Expenditures, and Change in Fund Balance Budget (GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

NOTE 3. Deposit and Investments

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

In June 2012 an independent expert diagnostic report revealed that statewide cash balances in the SHARE general ledger accounts had not been reconciled to the State General Fund Investment Pool maintained at the State Treasurer’s Office since the implementation of SHARE in July 2006. Since then, State Controller/Financial Control Division Director, the Financial Control Division of the New Mexico Department of Finance and Administration (DFA/FCD), has taken an aggressive action toward appropriate resolution.

Phase I of the Cash Management Remediation Project (completed in May 2013) implemented statewide business process changes and corrected numerous SHARE system configurations. As a result of the changes and corrections, DFA/FCD was able to begin reconciling activity reported by the state’s fiscal agent bank to the SHARE general ledger on a *point-forward basis* beginning February 1, 2013.

On July 11, 2014, DFA/FCD commenced the Historical Cash Reconciliation Project (Phase II) in partnership with Deloitte & Touche, LLP. The scope of this project was July 1, 2006 (SHARE implementation) to January 31, 2013 (the point at which DFA/FCD began reconciling cash activity as noted in the paragraph above). An effort in late 2014 was made to reconcile transactions but was unsuccessful in part due to incomplete data sets. The absence of all required data suggests that future efforts would be equally inconclusive, and therefore, do not merit additional energy.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposit and Investments (continued)

While the results of the Historical Cash Reconciliation Project did not yield the hope for closure, significant progress was made in the overall reconciliation process, and the FCD now has an operational model that effectively compares statewide claims against the State General Fund Investment Pool and resources held at the State Treasurer's Office. This process has been operational since March of 2015.

This process has now been reviewed by the independent public auditors performing audits of the General Fund, the Department of Finance and Administration, and the State of New Mexico's Comprehensive Annual Financial Report for fiscal year 2015. Each review of the process deemed it to be adequate and the findings related to the cash reconciliation were significantly reduced or eliminated. Successfully addressing this issue allowed the Department to reinstate \$100 million that had been reserved as a loss contingency.

For 2016, the following assertions are provided:

The calculated difference between resources maintained by the State Treasurer's Office and the agency claims has remained stable and within a narrow and acceptable range (less than \$200 thousand standard deviation) over the last twelve months.

Resources are sufficient to cover claims, and there is no need to adjust any specific business unit claim on the State General Fund Investment Pool.

All claims will be honored at face value.

The District has policies and procedures in place to ensure that the cash balances in SHARE are correct to the extent that the District has controls (i.e. collection, depositing, reconciling, bank statement validation, and documentation of outstanding reconciling items) of the cash it receives and transfers to the state general fund and other state agencies pursuant to the state statute. Daily and monthly reconciliations procedures are in place to review all transactions of the District and to ensure that the information is correct and reported properly within the SHARE system. This reconciliation provides assurance to management that the balance reflected in the State General Fund Investment Pool account is accurate at the end of the reporting period.

All investments are on deposit with the State Treasurer, and cash is on deposit with four financial institutions. For additional GASB Statement No. 40 disclosure information regarding cash held by the New Mexico State Treasurer, a separate audit report is issued by the New Mexico State Treasurer's Office for the most recent fiscal year end.

Concentration of Credit Risk- Investments Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State General Fund Investment Pool is not rated for credit risk.

Interest Rate Risk- Investments Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The State Treasurer's Office has an investment policy that limits investment maturities to five (5) years or less on allowable investments. This policy is a 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.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposit and Investments (continued)

At June 30, 2016, cash and investments consisted of the following:

	<u>SHARE Fund #</u>	<u>Maturities</u>	<u>Balance (Overdraft) Per Treasurer</u>	<u>Reconciling Items</u>	<u>Reconciled Balance</u>
General Fund					
Investments in the State Treasurer's General Fund Investment Pool	16600	<180 days	\$ 112,066	\$ -	\$ 112,066
Special Revenue Funds					
Investments in the State Treasurer's General Fund Investment Pool:					
Violence Against Women's Act	89000	<180 days	(11,269)	-	(11,269)
HIDTA	91200	<180 days	-	-	-
SBF	91300	<180 days	130,819	-	130,819
VOCA	91400	<180 days	(18,525)	-	(18,525)
			<u>\$ 213,091</u>	<u>\$ -</u>	<u>\$ 213,091</u>

NOTE 4. Interagency Receivable, Payables, and Transfers

The District had the following interagency receivable and payables for the fiscal year ended June 30, 2016:

<u>Share Fund #</u>	<u>Due From</u>	<u>Share Fund #</u>	<u>Due To</u>	<u>Amount</u>
91602	Crime Victims Reparation Act Fund	89000	Violence Against Women's Act Fund	\$ 12,690
91602	Crime Victims Reparation Act Fund	91400	Victims of Crime Act Fund	40,558
				<u>\$ 53,248</u>

The District has the following transfers for the fiscal year ended June 30, 2016:

<u>Transfer From</u>	<u>SHARE Fund No.</u>	<u>Transfer To</u>	<u>SHARE Fund No.</u>	<u>Agency No.</u>	<u>Amount</u>
State General Fund	85300	General Fund	16600	25500	\$ 2,819,600
General fund	16600	State General Fund	85300	25500	4,694

STATE OF NEW MEXICO
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Notes to the Financial Statements
June 30, 2016

NOTE 5. Capital Assets

Capital asset activity for the year ended June 30, 2016, is summarized as follows:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Capital assets being depreciated				
Machinery and equipment	\$ 360,873	\$ 31,461	\$ -	\$ 392,334
Vehicles	273,455	-	-	273,455
	<u>634,328</u>	<u>31,461</u>	<u>-</u>	<u>665,789</u>
Less: accumulated depreciation				
Machinery and equipment	345,731	9,305	-	355,036
Vehicles	217,129	15,852	-	232,981
	<u>562,860</u>	<u>25,157</u>	<u>-</u>	<u>588,017</u>
Total capital assets, net of depreciation	<u>\$ 71,468</u>	<u>\$ 6,304</u>	<u>\$ -</u>	<u>\$ 77,772</u>

Depreciation expense for the year ended June 30, 2016 was \$25,157 and was charged to the general government function.

NOTE 6. Long-term Liabilities

Long-term liabilities for the year ended June 30, 2016 are summarized as follows:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Accrued compensated absences	\$ 121,823	\$ 287,896	\$ 282,288	\$ 127,431	\$ 127,431

NOTE 7. Pension Plan – Public Employee Retirement Association

Plan Description. The Public Employee Retirement Fund (PERA) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Office, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions; and offers twenty-four (24) different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978); and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA fund.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 7. Pension Plan – Public Employee Retirement Association (continued)

Compliant with the requirements of Government Accounting Standards Board Statement No. 68 Accounting and Financial Reporting for Pensions, the State of New Mexico has implemented the standard for fiscal year ending June 30, 2016. The District, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA).

Disclosure requirements including schedules of required supplementary information and related notes for governmental funds apply to the primary government as a whole, and as such this information will be presented in the Component Appropriation Funds Annual Financial Report General Fund and the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico. The net pension liability is a long-term liability that is not directly related to or expected to be paid from the District's enterprise funds and therefore not reported in the District's Statement of Net Position. Information concerning the net pension liability, pension expense, and pension-related deferred inflow and outflow of resources of the primary government will be contained in the General Fund and the CAFR and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building 407 Galisteo Street, Santa Fe, New Mexico, 87501.

NOTE 8. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA board was established by the Retiree Health Care Act (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 (5) 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 (2) years; and 4) former governing authority members who served at least four (4) 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 (5) 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 100.00% 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.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 8. Post-Employment Benefits – State Retiree Health Care Plan (continued)

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.

The 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 member cover plans 3, 4, or 5; municipal fire member cover 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, 2015, the statutes required each participating employer to contribute 2.50% 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, 2015, the statute required each participating employer to contribute 2.00% of each participating employee's annual salary; and each participating employee was required to contribute 1.00% 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 District's contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$39,761, \$36,854, and \$37,907, respectively.

NOTE 9. Risk Management

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of property; errors and omissions; injuries to employees; and natural disasters. The District participates in the State of New Mexico Risk Management Program (Risk Management), which provides liability and physical damage insurance for the District, for the risks of loss mentioned above, except for injuries to employees. For risks of loss related to injuries to employees, the District has not obtained coverage from a commercial insurance company but has effectively managed risk through various employee education and prevention programs. The premiums for Risk Management are based on payroll and other expenditures, and are not directly related to claims filed. The policies are retrospectively rated and premiums may be adjusted after year end, based on the ultimate level of expenditures.

NOTE 10. Reversions

The Due to State General Fund in the Statement of Net Position includes \$4,694 from 2016 that will be remitted to the State General Fund. The reversion amounts include only state appropriations. Grant revenues accounted for in the special revenue funds are non-reverting.

NOTE 11. Contingent Liabilities

The District is party to various litigation and other claims in the ordinary course of business. The District is unaware of any material pending or threatened litigation, claims, or assessments against the District that are not covered by the District's insurance.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 12. Federal and State Grants

In the normal course of operations, the District receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 13. Commitments

The District entered into no agreements with contractors and architects for various construction projects for the year ended June 30, 2016.

NOTE 14. Concentrations

The District depends on financial resources flowing from, or associated with, both the federal government and the State of New Mexico. Because of this dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

NOTE 15. Subsequent Events

The District has evaluated events subsequent to June 30, 2016 that would possibly require adjustment or disclosure in these financial statements, through November 3, 2016, the date that these financial statements were available to be issued.

No events have occurred subsequent to June 30, 2016 that would require adjustment or modification to the contents of these statements.

NOTE 16. Adjustment to Beginning Fund Balance

Beginning fund balance in the general fund doesn't tie to the prior year by \$383 due to a reclassification of an overreversion that was not reflected in the prior year ending fund balance. Due to the State General Fund was increased by \$383 and fund balance decreased by \$383 for this adjustment.

Beginning fund balance in the Southwest Border Fund was reclassified for fiscal year 2016 in order to breakout the fund from the General Fund, and record as a special revenue fund. The beginning fund balance for the Southwest Border Fund was reclassified to \$178,241 out of the General Fund.

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Notes to the Financial Statements
June 30, 2016

NOTE 17. Other Required Individual Fund Disclosures

Generally accepted accounting principles require certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. The District had a deficit fund balance as of June 30, 2016 in the following fund:

General Fund	\$(383)
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- B. Excess of expenditures over budgeted amounts. The District had no funds exceeding budgetary authority as of June 30, 2016.
- C. Designated cash appropriations exceeding prior year available balances. The District had no funds exceeding available balances as of June 30, 2016.

NOTE 18. Subsequent Pronouncements

In June 2015, GASB Statement No. 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2016. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The District is still evaluating how this pronouncement will affect the financial statements.

In August 2015, GASB Statement No. 77 *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The District will implement this standard during the fiscal year ended June 30, 2017. The District is still evaluating how this pronouncement will affect the financial statements.

In December 2015, GASB Statement No. 78 *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plan* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In January 2016, GASB Statement No. 80 *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In March 2016, GASB Statement No. 81 *Irrevocable Split-Interest Agreements* was issued. Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT)
June 30, 2016

<u>RFB#/ RFP#</u>	<u>Type of Procurement</u>	<u>Awarded Vendor</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>
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No items meeting the \$60,000 threshold reporting requirement were noted for the current year.

See independent auditors' report.

<u>Name and Physical Address of ALL Vendor(s) That Responded</u>	<u>In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)</u>	<u>Was the Vendor In-State and Chose Veteran's Preference (Y or N)</u>	<u>Description of Work</u>
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See independent auditors' report.

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COMPLIANCE SECTION

**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***

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
David Ceballes, District Attorney
Office of the District Attorney, Twelfth Judicial District
Alamogordo, 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 budgetary comparisons of the general fund and major special revenue funds, of the Office of the District Attorney, Twelfth Judicial District (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement; we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

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.

RPC CPAs + Consultants LLP

RPC CPAs + Consultants, LLP
Albuquerque, New Mexico
November 3, 2016

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Schedule of Findings and Responses
June 30, 2016

Schedule II

Section I - Summary of Auditors' Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | None noted |

Section II - Prior Year Audit Findings

None noted

Section III - Financial Statement Findings

None noted

STATE OF NEW MEXICO
Office of the District Attorney
Twelfth Judicial District
Other Disclosures
June 30, 2016

Exit Conference

An exit conference was held on November 30, 2016. In attendance were the following:

Representing the Office of the District Attorney, Twelfth Judicial District

James Dickens
Rhonda Sanchez

Chief Deputy District Attorney
Chief Financial Officer

Representing RPC CPAs + Consultants, LLP

Ray Roberts, CPA

Managing Partner

Auditor Prepared Financial Statements

RPC CPAs + Consultants, LLP prepared the GAAP-basis financial statements and footnotes for the Office of the District Attorney, Twelfth Judicial District from the original books and records provided to them by the management of the District. The responsibility for the financial statements remains with the District.