



MACIAS, GUTIERREZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESPANOLA, NEW MEXICO

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE
DISTRICT ATTORNEYS

Financial Statements
Year Ended June 30, 2016

(With Independent Auditors' Report Thereon)

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS**

**Financial Statements
Year Ended June 30, 2016**

(With Independent Auditors' Report Thereon)

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS**

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ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS**

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**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
OFFICIAL ROSTER
June 30, 2016**

New Mexico District Attorneys' Association Officers

Honorable Robert Tedrow President
Eleventh Judicial District Attorney, Division I

Honorable Tim Rose Vice-President
Tenth Judicial District Attorney

Honorable Dianna Luce Treasurer
Ninth Judicial District Attorney

Administrative Officials

Henry R. Valdez Director

Filemon Gonzalez Chief Financial Officer

FINANCIAL SECTION



Macias, Gutierrez
& Co., P.C.

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Member AICPA, NMSCPA*

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INDEPENDENT AUDITORS' REPORT

Henry R. Valdez, Director, Administrative Office of the District Attorneys
and
Honorable Timothy M. Keller, New Mexico State Auditor
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the respective budgetary comparisons for the General Fund and the Major Special Revenue Funds of the State of New Mexico, Administrative Office of the District Attorneys (AODA) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the AODA's basic financial statements as listed in the table of contents. We have also audited the financial statements of the AODA's non-major governmental fund and the budgetary comparison of the non-major governmental fund presented as supplementary information as defined by the Governmental Accounting Standards Board, for the year ended June 30, 2016, 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 misstatement, 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 of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the AODA as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund and the Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the non-major governmental fund of the AODA as of June 30, 2016 and the respective changes in financial position and the respective budgetary comparison of the non-major governmental fund for the year ended June 30, 2016, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements of the Administrative Office of the District Attorneys are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities, each major fund, the aggregate remaining fund information and the respective budgetary comparisons for the General Fund, the Major Special Revenue Funds and the non-major fund that are attributable to the transactions of the AODA. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2016, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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 viii through xiv be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the AODA's basic financial statements and on the budgetary comparison statements presented as supplementary information. The Schedule of Vendor Information in the

table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2016 on our consideration of the AODA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the AODA's internal control over financial reporting and compliance.

Macias, Gutierrez & Co., CPAs, P.C.

Macias, Gutierrez & Co., CPAs, P.C.
Espanola, New Mexico
November 8, 2016

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

The Administrative Office of the District Attorney's (AODA) Management's Discussion and Analysis provides the reader of the financial statements this narrative overview and analysis of the financial activities of the AODA for the fiscal year ended June 30, 2016. The AODA was authorized in Chapter 110, Laws of 1984, (Section 36-1-25, NMSA, 1978) and began operating in August 1984. It is supervised by a director who is appointed by a major vote of the elected or appointed district attorneys of the State of New Mexico. The director's responsibility is to provide administrative, educational and planning assistance to district attorneys statewide. This includes, but is not limited to, preparing personnel pay plans, developing a comprehensive database for case management, preparing and distributing uniform forms and procedures manuals and developing uniform systems for use by district attorneys.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The Basic Financial Statements

The annual report consists of four parts-management's discussion and analysis (this section), the basic financial statements, required supplementary Information, and a section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of AODA.

- a) The first two statements are government-wide financial statements that provide both long-term and short-term information about the AODA's overall financial status.
- b) The remaining statements are fund financial statements that focus on individual parts of AODA, reporting the AODA's operations in more detail than the government-wide statements.
- c) The governmental funds statements tell how general government services (the primary functions of AODA) were financed in the short term, as well as what remains for future spending.

The financial statements also include notes to the financial statements that explain information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to required items, a supporting schedule includes the schedule of vendor information.

Government-Wide Financial Statements

(Statement of Net Position and Statement of Activities)

The government-wide financial statements provide information about the AODA as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position presents information on all of the AODA's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Increases or decreases in net position may serve as a useful indicator of the AODA's financial position over time. The Statement of Activities presents information on how AODA's net position changed during the most recent fiscal year. Changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are included in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation and

STATE OF NEW MEXICO
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

uncollected accounts receivable.) The two government-wide statements report the AODA's net position and how it has changed. This is one way to measure AODA's financial health or position. Over time, increases or decreases in AODA's net position is an indicator of whether its financial health is improving or deteriorating, respectively. The government-wide financial statements of AODA fall into the governmental activities category. State appropriations, federal grants, and proceeds from fees collected by the district attorneys throughout the state, finance these activities.

Fund Financial Statements

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

The fund financial statements provide more detailed information about AODA's most significant funds. Funds are accounting devices that AODA uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law. The State Legislature also establishes other funds to control and manage money for particular purposes or to show that it is properly using certain grants. AODA's funds are all governmental funds. The Balance Sheets and the Statements of Revenue, Expenditures and Changes in Fund Balances provide this Information.

All of AODA's basic services are included in the "governmental funds, in which focus on (1) how cash and other financial assets that can readily be converted to cash, flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance AODA's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent pages that explains the relationship (or differences) between them.

The AODA maintains its fund structure in the Statewide Human Resources, Accounting and Management Reporting (SHARE) System. AODA maintains one account which makes up the General Fund {General Operating Account- Fund No. 16800, and three {3} special revenue funds, Southwest Border Prosecution Initiative Special Revenue Fund {Fund 91680}, District Attorney Special Revenue Fund (Fund 11180}, and Violence Against Women Act Special Revenue Fund (Fund 10830}

The Budgetary Comparison Statements

The budget comparison information required by Governmental Accounting Standards Board (GASB) Statement #34, Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments for the General Fund and major special revenue funds that have legally adopted budgets, is presented as a part of the basic financial statements. All other budget comparisons that have legally adopted budgets are presented as required supplemental information.

The budgetary comparisons present both the original and final budgets for the reporting period as well as the actual inflows, outflows, and balances on the budgetary basis, which is the modified accrual basis of accounting. In compliance with New Mexico Administrative Code (NMAC) Section 2.2.2.10 O (1) through (3), the Statement of Revenues and Expenditures – Budget and Actual

- Includes prior-year fund balances required to balance the budget;
- Has been included as part of the basic financial statements; and,
- Has been included in the auditor's opinion

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Financial Analysis of the AODA as a Whole
Statement of Net Position- Analysis of Financial Position

Exhibit A summarizes the AODA's net position for the fiscal years ended June 30, 2016 and 2015. The following condensed financial information was derived from the entity-wide Statement of Net Position for the current and prior-year.

Statement of Net Position	6/30/2016	6/30/2015	Change	% of Change
Assets				
Current and other assets	\$ 280,612	459,311	(178,699)	-39%
Capital assets, net	48,722	11,255	37,467	333%
Total assets	\$ 329,334	470,566	(141,232)	-30%
Liabilities				
Current liabilities	\$ 175,349	390,427	(215,078)	-55%
Long-term liabilities	35,755	32,127	3,628	11%
Total liabilities	211,104	422,554	(211,450)	-50%
Net position:				
Invested in capital assets	48,722	11,255	37,467	333%
Unrestricted	69,508	36,757	32,751	89%
Total net position	118,230	48,012	70,218	146%
Total net position and liabilities	\$ 329,334	470,566	(141,232)	-30%

Total Assets

Consist of Interest in State Treasurer General Fund Investment Pool of \$275,422, Due from Other State Agencies of \$5,190, and Capital Assets, net of Accumulated Depreciation, of \$48,722. Total assets are \$329,334. This represents a decrease of \$141,232, or 30% from fiscal year 2015. The reason for the decrease is due to a decrease in SWBPI funding and a decrease in fees collected for the DA Fund. Capital assets increased with a purchase of a new vehicle and software transferred in from the 7th Judicial DA. These increased our net capital assets by \$37,467.

Total Liabilities

Consists of current liabilities of \$175,349 and long-term liabilities of \$35,755, total liabilities are \$211,104. This represents a decrease in liabilities of 50% from fiscal year 2015. The reason for the decrease of \$215,078 was of less funds owed to the District Attorneys' offices from the SWBPI fund. The change in long-term liabilities is due to an increase of \$3,628 is a result of vacation accruals by staff.

Total Net Position

Consists of \$48,722, investment in Capital Assets with no related debt, and Unrestricted Net Position of \$69,508, for a total \$118,230. This represents an increase of \$70,218 or 146% from the FY15 Net Position Balance of \$48,012. The primary reason for the increase was an addition in capital assets by \$48,722 due to the two items described above and remaining unrestricted fund balance from the Southwest Border prosecution initiative fund and District Attorney Fund.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Statement of Activities – Analysis of Changes in Net Position

Exhibit B summarizes the AODA's changes in net position for the fiscal years ended June 30, 2016 and 2015. The following condensed financial information was derived from the entity-wide Statement of Activities for the current and prior-year.

Statement of Activities	6/30/2016	6/30/2015	Change	% of Change
Revenue				
Program revenue				
Charges for services	\$ 262,634	303,988	(41,354)	14%
Miscellaneous	6,243	-	6,243	0%
Federal grants - operating	9,754	9,097	657	7%
Total revenues	278,631	313,085	(34,454)	11%
Expenses				
General Government	2,434,877	2,605,480	(170,603)	-7%
Total expenses	2,434,877	2,605,480	(170,603)	-7%
Net program (expenses) revenue	(2,156,246)	(2,292,395)	136,149	-6%
Transfers				
State General Fund appropriations	2,228,200	2,207,500	20,700	1%
Transfer in from 7 th JDA	5,670	-	5,670	0%
Reversions to State General Fund	(7,408)	(6,209)	(1,199)	19%
Total transfers	2,226,462	2,201,291	19,501	1%
Change in net position	70,216	(91,104)	161,320	-177%
Net position, beginning	48,014	139,116	(91,102)	-65%
Net position, ending	\$ 118,230	48,012	70,218	146%

Revenues and Transfers

Consists of \$2,512,501 (revenues of \$278,631 and transfers of \$2,228,200 and \$5,670) for operational purposes. State General Fund appropriations, worthless checks, pre-prosecution fees, miscellaneous and federal awards provide the majority of revenue. This represents a decrease of \$8,084 or 1% in total revenues and transfers from \$2,520,585 (revenues of \$313,085 and transfers of \$2,207,500 in FY 2015). This is a result of a decrease in fee collected through the District Attorney fund. There was an increase in our flow-through grant to sub-grantees from CVRC and miscellaneous revenue due to reclassification of prior year refunds to the District Attorney fund. The increase was not enough to make up the difference of revenues collected in FY15. The increase in transfers was the result of higher approved appropriation through the state legislature and a transfer in from the 7th Judicial District Attorney.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Expense and Transfers

Consist of \$2,442,285 (expenses of \$2,434,877 and transfers out of \$7,408) mainly for operational employee salaries and benefits, operating costs, contractual services, and flow-through grants to sub-grantees. This represents a decrease of total expenses and transfers of \$169,404, or 6%, from \$2,611,689 (expenses of \$2,605,480 and transfers out of \$6,209) in FY2015. The decrease in expenses results from vacancies in personnel services and benefits throughout fiscal year 16. The increase in transfers out is the result of an increase in Reversion to State General Fund of \$1,199.

Change of Net Position

As described above, the AODA's total revenue and transfers decreased by (\$8,084), and total expenses decreased by \$170,603. The increase in the change in net position was \$161,320, which includes an increase in reversions to the State General Fund by \$1,199.

Total net position increased from the prior year by \$70,218 from \$48,012 to \$118,230 or 146%.

Financial Analysis of the Fund Statements

As described above, the AODA has four (4) governmental funds. The AODA's General Operating Account (#16800) which is funded through State General Fund appropriations. The other three (3) governmental funds are special revenue funds used to account for specific revenue sources.

The AODA's governmental funds (as presented on the balance sheet) reported a combined fund balance of \$156,996, which is more than last year's total of \$135,743, an increase of \$21,253. The General Fund of the AODA reflects a zero fund balance. The Southwest Border Prosecution Initiative Special Revenue Fund has \$83,923 of non-reverting balances of federal Southwest Border Prosecution Initiative Program funds which are available for budgeting future operations, and the District Attorney Special Revenue Fund has \$73,073 of non-reverting balances of worthless check and pre-prosecution fees which are available for budgeting future operations per Section 36-1-28, NMSA 1978. The Violence Against Women Act has a zero fund balance.

Capital Assets

The AODA's capital assets consist of furniture and equipment, data processing equipment, vehicles and software, totaling \$853,890 at June 30, 2016. Accumulated depreciation at June 30, 2016, totaled \$805,168. Capital assets, net accumulated depreciation totaled \$48,722, at June 30, 2016. The increase in the net value of capital assets, \$37,467, is due to a vehicle purchase, \$43,052, and the software transfer in of \$5,670 from the 7th Judicial District Attorney, less depreciation expense of \$11,255 taken during current year.

Infrastructure Assets

The AODA does not own any infrastructure assets.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Long-Term Debt

At the end of the current fiscal year, AODA had total long-term debt outstanding of \$35,755 comprised of accumulated balances for annual and sick leave eligible for payment to employees upon termination of their employment from the AODA. This was an increase of \$3,628 from the long-term debt outstanding at June 30, 2015, of \$32,127. Employees can receive compensation for a maximum of 240 annual leave hours upon termination.

Budgetary Highlights

The AODA was appropriated \$2,228,200 from the State General Fund for FY 2016 during the regular 2015 legislative session to be expended in the AODA's general fund 16800. The AODA processed one budget adjustment request (BAR) for the AODA's general fund during FY 2016. Contractual services increased by \$57,000 and the Personnel Services and Benefits and Other appropriation units decreased by \$46,900 and \$10,100, respectively.

The Southwest Border Prosecution Initiative Special Revenue Fund 91680 original FY 2016 budget of \$82,515 remained unchanged.

The District Attorney Special Revenue Fund 11180 increased the original FY 2016 budget of \$299,800 by \$9,129. The increase was a result of available cash balances at June 30, 2015. Other costs increased by \$9,129.

The Violence Against Women Special Revenue Fund 10830 original FY2016 budget of \$10,400, remained unchanged.

Activity Highlights and Next Year's Budget

The State Legislature makes annual appropriations to the AODA. 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 AODA revised its various fund budgets a few times. These budget amendments fell into three categories:

- Re-budgeting of previous fiscal year dollars to be expended in fiscal year 2016.
- Increases or reallocation of appropriations to prevent budget overruns.
- Decreases from worthless check and pre-prosecution fees to prevent budget overruns.

The Administrative Office of the District Attorneys' initial FY2017 operating budget is \$2,207,500. The FY 2016 adjusted budget was \$2,228,200.

Due to the limited staff and resources, the staff is often required to work additional hours in order to complete tasks, which are necessary to keep the AODA network functioning properly. In order to reduce the downtime for employees, AODA IT staff must often perform functions such as backing up, upgrading software or hardware, etc., during non-peak hours.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Contacting the Administrative Office of the District Attorneys' Management

The final report is designed to provide our citizens, taxpayers and creditors with a general overview of the Administrative Office of the District Attorneys' finances and to demonstrate the Administrative Office of the District Attorneys' accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

Administrative Office of the District Attorneys
625 Silver Ave., Suite 420
Albuquerque, NM 87102
Phone: 505-827-3789
Fax: 505-242-3227

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Statement of Net Position
June 30, 2016**

Exhibit A

ASSETS	Governmental Activities
Interest in State Treasurer General Fund investment pool (note 3)	\$ 275,422
Due from other state agencies (note 4)	5,190
Capital assets, net of accumulated depreciation (note 6)	<u>48,722</u>
Total assets	<u><u>\$ 329,334</u></u>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 72,235
Payroll taxes payable	9,175
Payroll benefits payable	14,822
Accrued payroll payable	19,976
Due to State General Fund (note 5)	7,408
Compensated absences payable (note 7)	<u>51,733</u>
Total current liabilities	175,349
Long-term Liabilities	
Compensated absences payable (note 7)	<u>35,755</u>
Total liabilities	<u>211,104</u>
NET POSITION	
Net investment in capital assets (note 6)	48,722
Restricted	-
Unrestricted	<u>69,508</u>
Total net position	<u>118,230</u>
Total liabilities and net position	<u><u>\$ 329,334</u></u>

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

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Statement of Activities
Year Ended June 30, 2016**

Exhibit B

Expenses	Governmental Activities
Governmental activities:	
General government	\$ 2,423,622
Depreciation	11,255
Total expenses	2,434,877
Program revenues:	
Charges for services - fees	262,634
Miscellaneous	6,243
Intergovernmental	
Federal grants - operating	9,754
Total program revenues	278,631
Net program (expenses)/revenue	(2,156,246)
General revenues and transfers	
State General Fund Appropriations FY2016 (note 13)	2,228,200
Other financing sources (uses)	
Transfer in from 7th Judicial District Attorney (note 13)	5,670
Reversion to State General Fund FY 2016 (note 5)	(7,408)
Total general revenues and transfers	2,226,462
Change in net position	70,216
Net position, beginning	48,014
Net position, ending	\$ 118,230

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

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Balance Sheet
Governmental Funds
June 30, 2016

Exhibit C

	Major Funds			Non-Major Fund	Total Governmental Funds
	16800	Special Revenue Funds		10830	
		11180	91680		
	General	District Attorney Fund	SW Border Prosecution Initiative		
ASSETS					
Interest in the State Treasurer					
General Fund Investment Pool (note 3)	\$ 112,571	\$ 82,104	\$ 83,923	\$ -	\$ 278,598
Due from other state agencies (note 4)	-	-	-	5,190	5,190
Total assets	<u>\$ 112,571</u>	<u>\$ 82,104</u>	<u>\$ 83,923</u>	<u>\$ 5,190</u>	<u>\$ 283,788</u>
LIABILITIES					
Interest in the State Treasurer					
General Fund Investment Pool (note 3)	\$ -	\$ -	\$ -	\$ 3,176	\$ 3,176
Accounts payable	65,114	5,107	-	2,014	72,235
Payroll taxes payable	8,034	1,141	-	-	9,175
Payroll benefits payable	13,788	1,034	-	-	14,822
Accrued payroll payable	18,227	1,749	-	-	19,976
Due to State General Fund (note 5)	7,408	-	-	-	7,408
Total liabilities	<u>112,571</u>	<u>9,031</u>	<u>-</u>	<u>5,190</u>	<u>126,792</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (note 9)	-	73,073	83,923	-	156,996
Total fund balances	<u>-</u>	<u>73,073</u>	<u>83,923</u>	<u>-</u>	<u>156,996</u>
Total liabilities and fund balances	<u>\$ 112,571</u>	<u>\$ 82,104</u>	<u>\$ 83,923</u>	<u>\$ 5,190</u>	<u>\$ 283,788</u>

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

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2016**

Total Fund Balance for the governmental funds (balance sheet) - (Exhibit C) \$ 156,996

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

Capital assets used in governmental activities are financial resources and, therefore, are not reported in the funds. These assets consist of:

Furniture and equipment	\$	33,221	
Data Processing equipment		502,564	
Vehicles		297,482	
Software		20,623	
Accumulated depreciation		<u>(805,168)</u>	48,722

Some liabilities are not due and payable in the current period and, therefore are not reported in the Governmental Funds Balance sheet. These liabilities consist of

Compensated absences payable	<u>(87,488)</u>
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Net position of governmental activities (statement of net position) - (Exhibit A) \$ 118,230

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

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Statement of Revenues, Expenditures and Changes in
Fund Balances (deficit) - Governmental Funds
Year Ended June 30, 2016

Exhibit D

	Major Funds			Non-Major Fund	Total Governmental Funds
	16800	Special Revenue Funds		10830	
		11180	91680		
	General	District Attorney Fund	SW Border Prosecution Enhancement	VAWA	
REVENUES					
Intergovernmental:					
Federal funds	\$ -	\$ -	\$ -	\$ 9,754	\$ 9,754
Fees:					
Worthless check fees	-	23,311	-	-	23,311
Pre-prosecution fees	-	239,323	-	-	239,323
Miscellaneous revenue	-	6,243	-	-	6,243
Total revenues	-	268,877	-	9,754	278,631
EXPENDITURES					
Current					
General government:					
Personal services and benefits	1,284,644	88,844	-	-	1,373,488
Contractual services	265,437	-	-	6,294	271,731
Other costs	627,659	158,780	-	3,460	789,899
Capital outlay	48,722	-	-	-	48,722
Total expenditures	2,226,462	247,624	-	9,754	2,483,840
OTHER FINANCING SOURCES (USES)					
Inter-agency transfers:					
Other financing sources (uses)					
State General Fund appropriations FY 16	2,228,200	-	-	-	2,228,200
Transfer in from the 7th Judicial DA	5,670	-	-	-	5,670
Reversion to State General Fund FY 16	(7,408)	-	-	-	(7,408)
Total interagency transfers	2,226,462	-	-	-	2,226,462
Net change in fund balances (decrease)	-	21,253	-	-	21,253
Fund balance, beginning of year	-	51,820	83,923	-	135,743
Fund balance, end of year	\$ -	\$ 73,073	\$ 83,923	\$ -	\$ 156,996

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

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Government-Wide Statement of Activities
Year Ended June 30, 2016**

Net Change in fund balance - Governmental Funds (Exhibit D) \$ 21,253

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over the estimated useful lives as depreciation expense.

In the current period, these amounts are:

Depreciation expense	\$ (11,255)	
Capital outlay additions	<u>48,722</u>	
		37,467

Some items reported in the Statement of Activities do not require the use of current financial recourse and therefore, are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	<u>11,496</u>
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Change in net position of governmental activities - (Exhibit B)	<u><u>\$ 70,216</u></u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Statement of Revenues and Expenditures - Budget and Actual (Budget Basis)
Major Governmental Funds
General Fund - Operating Account (Fund 16800)
Year Ended June 30, 2016

Exhibit E
Page 1 of 3

	Original Approved Budget	Final Approved Budget	Actual Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
General fund appropriations	\$ 2,228,200	\$ 2,228,200	\$ 2,228,200	\$ -
Cash balance re-budgeted	-	-	-	-
Total Budgeted Revenues	\$ 2,228,200	\$ 2,228,200	\$ 2,228,200	\$ -
EXPENDITURES				
Current:				
General government				
Personal services and employee benefits	\$ 1,334,000	\$ 1,287,100	\$ 1,284,644	\$ 2,456
Contractual services	211,200	268,200	265,437	2,763
Other costs	683,000	672,900	670,711	2,189
Total expenditures	2,228,200	2,228,200	2,220,792	7,408
Other Financing uses:				
Reversion to State General Fund FY 2016	-	-	7,408	(7,408)
Total Expenditures and other financing uses	\$ 2,228,200	\$ 2,228,200	\$ 2,228,200	\$ -
Reconciliation of GAAP Basis to budget basis				
		Revenues	Expenditures	
GAAP basis:		\$ 2,228,200	\$ 2,226,462	
Adjustments: Software purchase from 7th JDA transferred in to AODA		-	(5,670)	
Budget basis		\$ 2,228,200	\$ 2,220,792	

Note:

The actual expenditures on the budget basis do not include any payments that required requests to pay prior year bills out of the FY2017 budget

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

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Statement of Revenues and Expenditures - Budget and Actual (Budget Basis)
Major Governmental Funds
Southwest Border Prosecution Initiative Special Revenue Fund (Fund 91680)
Year Ended June 30, 2016

Exhibit E
Page 2 of 3

	Original Approved Budget	Final Approved Budget	Actual Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Federal Grants	\$ -	\$ -	\$ -	\$ -
Cash balance re-budgeted	82,515	82,515		
Total Budgeted Revenues	\$ 82,515	\$ 82,515		
EXPENDITURES				
Current:				
General government				
Personal services and employee benefits	48,339	48,339	-	48,339
Contractual services	8,298	8,298	-	8,298
Other costs	25,878	25,878	-	25,878
Other financing uses	-	-	-	-
Total expenditures	\$ 82,515	\$ 82,515	\$ -	\$ 82,515
Reconciliation of GAAP Basis to budget basis		Revenues	Expenditures	
GAAP basis:		\$ -	\$ -	
Adjustments:				
None		-	-	
Budget basis		\$ -	\$ -	

Note:

The actual expenditures on the budget basis do not include any payments that required a request to pay prior year bills out of the FY2017 budget

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

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Statement of Revenues and Expenditures - Budget and Actual (Budget Basis)
Major Governmental Funds
District Attorney Special Revenue Fund (Fund 11180)
Year Ended June 30, 2016

Exhibit E
Page 3 of 3

	Original Approved Budget	Final Approved Budget	Actual Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Court fines & forfeitures -				
Worthless check fees	\$ 39,800	\$ 24,027	\$ 23,311	\$ (716)
Other penalties -				
Pre-prosecution fees	260,000	233,083	239,323	6,240
Miscellaneous revenue	-	-	6,243	6,243
	299,800	257,110	\$ 268,877	\$ 11,767
Total revenue				
Cash balance re-budgeted	-	51,819		
	\$ 299,800	\$ 308,929		
EXPENDITURES				
Current:				
General government				
Personal services and employee benefits	\$ 104,100	\$ 104,100	\$ 88,843	\$ 15,257
Contractual services	25,000	25,000	-	25,000
Other costs	170,700	179,829	158,780	21,049
	\$ 299,800	\$ 308,929	\$ 247,624	\$ 61,306
Total expenditures				
Reconciliation of GAAP Basis to budget basis				
		Revenues	Expenditures	
GAAP basis:		\$ 268,877	\$ 247,624	
Adjustments:				
None		-	-	
Budget basis		\$ 268,877	\$ 247,624	

Note:

The actual expenditures on the budget basis do not include any payments that required a request to pay prior year bills out of the FY2017 budget

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

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016

1. History and Organization

The Administrative Office of the District Attorneys (AODA) was authorized in Chapter 110, Laws of 1984, (Section 36-1-25, NMSA, 1978) and began operating in August 1984. It is supervised by a director who is appointed by a majority vote of the elected or appointed district attorneys of the State of New Mexico. The director may, with legislative appropriations, appoint necessary personnel and assign their duties. The director's responsibility is to provide administrative, educational and planning assistance to the district attorneys statewide. This includes, but is not limited to, preparing personnel pay plans, developing a comprehensive database for case management, preparing and distributing uniform forms and procedures manuals and developing uniform systems for use by district attorneys' offices. Section 36-1-26 (G) provides that the AODA shall also prosecute conflict of interest and other cases at the request of an elected or appointed district attorney. Beginning July 1, 1984, New Mexico district attorneys were authorized to collect and deposit with the State Treasurer two classes of revenue in the district attorney fund administered by the AODA. The two classes of revenue are as follows:

- A. Processing fees assessed against persons who are convicted of violating Section 30-36-4, NMSA 1978, or the Worthless Check Act (Section 30-36-1 to Section 30-36-10); and,
- B. Cost paid by defendants referred to a pre-prosecution diversion program in accordance with the provisions of the Pre-prosecution Diversion Act (Section 31-16A-1 to Section 31-16A-8, NMSA 1978), to the extent public or private funds permit. The program includes individual counseling and guidance; required restitution where applicable to the extent practical and may require public service. The district attorney may refer clients for treatment and rehabilitation. Based on financial circumstances, the defendant is required to reimburse the district attorney for costs related to participation in the program.

The various district attorneys are located in the thirteen judicial districts throughout the state. The Eleventh Judicial District Attorney has two divisions. Subsequent to collection of fees and costs as described above, the various district attorneys submit (on at least a monthly basis) the funds to the State Treasurer for deposit into the district attorney fund (AODA district attorney Interest in State General Fund Investment Pool fund account -SHARE Fund 11180). Money in the fund is appropriated to the AODA for the sole purpose of meeting necessary expenses incurred in the operation of the AODA. As indicated in Section 36-1-28, these two revenue sources shall not revert to the State General Fund at the end of any fiscal year.

2. Summary of Significant Accounting Policies

The financial statements of the Administrative Office of the District Attorneys have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America as applied to governmental units. The AODA applies all relevant Governmental Accounting Standards Board (GASB) statements. The more significant of the AODA's accounting policies are described below:

A. Financial Reporting Entity

The State of New Mexico Administrative Office of the District Attorneys (AODA) is a legally separate and fiscally independent of other state agencies. Although the Director serves at the pleasure of the thirteen district attorneys, that person has decision-making authority, the power to manage the activities of the AODA, the responsibility to significantly influence operations and primary accountability for fiscal matters. The AODA 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 AODA as described above.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016

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

A. Financial Reporting Entity (cont'd)

In evaluating how to define the AODA for financial reporting purposes, management has considered all potential component units. The decision to include potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only criterion for including a potential component unit within the reporting entity, is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other 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 AODA is able to exercise oversight responsibilities. Based upon the application of these criteria, the AODA does not have any component units. Other Executive Branch entities of government are excluded because they are established separately by statutes.

Additionally, the AODA is not included in any other governmental "reporting entity". However, the AODA is included in the state-wide Comprehensive Annual Financial Report (CAFR)

The AODA is a user organization of the Statewide Human Resources, Accounting and Management Reporting System (SHARE). The service organization is the Department of Finance and Administration (DFA).

B. Government-Wide Financial Statements

The AODA's basic financial statements include both government-wide financial statements (based on the AODA as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic statement) categorize primary activities as either governmental or business type, excluding fiduciary funds or component units that are fiduciary in nature. The AODA is a single purpose government entity and has no business type activities. In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and are reflected on the full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. The AODSA's net position is reported in three parts; investment in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government), which are otherwise supported by general government revenues and program revenues. The Statement of Activities reduces gross expense (including depreciation expense on capital assets) by related program revenues, operating and capital grants. Program revenue must be directly associated with the function (general government). Program revenue must be directly associated with the function (general government).

The net cost by function is normally covered by general revenue and program revenue. Since the AODA only has one program, it does not employ indirect cost allocation. Program revenue consists of federal and state grants and fees generated from the worthless check and pre-prosecution collections in the District Attorney's Special Revenue Fund (11180).

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016

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

B. Government-Wide Financial Statements (cont'd)

The appropriation from the State General Fund not included among program revenues is reported instead as "transfers-in". The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. In exchange transactions, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. In non-exchange transactions, revenues and expenses are recognized in accordance with the requirements of GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions*, as amended. The revenue recognition policy for grants is when the eligibility requirements have been met, and costs have been incurred. Capital assets are reported as historical cost and depreciation over their estimated useful lives. Depreciation expense is reported in the Statement of Activities.

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

Restricted net position is that with constraints placed on its use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations or other governments, or 2) imposed by law through constitutional provisions or enabling legislations. All net position not otherwise classified as restricted, are shown as unrestricted. Generally, the AODA would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

C. Fund Financial Statements

Emphasis is on the major funds of the governmental category. Non-major funds are summarized into a single column. The AODA's major funds are its General Fund, Southwest Border Prosecution Initiative Special Revenue Fund and the District Attorney Special Revenue Fund.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This reporting is deemed more appropriate to demonstrate legal and covenant compliance, to demonstrate the source and use of liquid resource and to demonstrate how the AODA's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are reported on a different measurement focus and basis of accounting than the government-wide statements governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The financial transactions of the AODA are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures or expenses and other financing sources or uses. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016

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

C. **Fund Financial Statements** (cont'd)

The following fund types and individual funds are used by the AODA:

GOVERNMENTAL TYPE FUNDS

All governmental fund types are accounted for on a spending or financial flow measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Revenues are recognized as soon as they are both measurable and available. Due to their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures of fund liabilities.

General Fund

General Fund (Operating Account Fund #16800-reverting) - The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is funded primarily through State General Fund appropriations and unused appropriations revert to the State General Fund.

Special Revenue Funds

District Attorney Special Revenue Fund (#11180)- (non-reverting) The District Attorney Fund is used to account for funds authorized by Section 36-1-28 NMSA 1978 and is used for general operations. The District Attorney Fund is funded through worthless check and pre-prosecution fees (non-reverting revenue sources per Section 36-1-28).

Southwest Border Prosecution Initiative Special Revenue Fund (#91680) - (non-reverting) The Southwest Border Prosecution Initiative Program (SWBPI) Special Revenue Fund is used to account for funds received from the US Department of Justice, Bureau of Justice Assistance, pursuant to Public Law 106-246, as amended by Public Law 106-554, This fund supports the prosecution and detention of federally referred cases in four states, including Arizona, California, New Mexico and Texas. In accordance with the BJA guidelines, funds awarded may be used by jurisdictions for any lawful purpose.

The source of these funds is federal, and the funds are non-reverting to the State General Fund. These funds are reimbursement for specific categories of expenses associated with the handling and processing of federally initiated controlled substances cases along the Southwest Border with the prosecution of criminal cases declined by local U.S. Attorneys' offices.

AODA submits reimbursement claims on behalf of the various NM district attorney's and funds flow through the AODA to the various district attorney's offices. While funds from the SWBPI federal payments may be used by applicant jurisdictions for any purpose not otherwise prohibited by federal law, using funds for the support and enhancement of prosecutorial and detention services is encouraged. The "unassigned" fund balance of the fund is available to the AODA for administrative purposes and is not restricted.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016

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

C. **Fund Financial Statements** (cont'd)

GOVERNMENTAL FUND TYPES (cont'd)

Special Revenue Funds (cont'd)

Violence Against Women Act Special Revenue Fund (#10830)- (non-reverting) The Violence Against Women Act of 1994 Special Revenue Fund is used to account for funds authorized pursuant to 42 U.S.C. 13701 through 14040. The Act provide funds toward investigation and prosecution of violent crimes against women, imposes automatic and mandatory restitution on those convicted, and allows civil redress in cases prosecutors chose to leave un-prosecuted. Funding is through the U.S. Department of Justice and is on a reimbursement basis.

D. **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The **government-wide financial statements** are reported using the "economic resources" measurement focus and the accrual basis of accounting. The AODA applies the provisions of all relevant pronouncements of the Governmental Accounting Standards Board (GASB). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows.

The **governmental fund financial statements** are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues and other governmental fund financial recourse increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become both measurable and available to finance expenditures of the current fiscal period; available meaning collectible within the current period, or soon enough thereafter, 60 days, to be used to pay liabilities of the current period. Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contribution and other monies held by other state and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

Expenditures generally are recorded when a liability is incurred, under accrual accounting. An exception to this general rule is that accumulated unpaid annual, compensatory and certain sick leave are recorded only when payment is due. Only the portion of current compensated absences related to payments due to retired or terminated employees as of June 30, 2016, but not paid until after the end of the fiscal year is included in the fund financial statements. Also, general capital assets acquisitions are reported as expenditures in governmental funds. However, in the government-wide financial statements, both current and long-term are accrued. Expenditures charged to federal programs are recorded utilizing the costs principles described by the various funding sources. In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time, requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016

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

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (cont'd)

The AODA allocates expenses to restricted or unrestricted based on the budgeted source of funds. It is the AODA's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

E. Budgets and Budgetary Accounting

The New Mexico State Legislature makes annual appropriations to the AODA, which lapse at fiscal year-end. Legal compliance is monitored through the establishment of a budget and a financial control system, which permits a budget-to-actual expenditure comparison. Expenditures may not legally exceed appropriations for each budget at the appropriation unit level. Budgeted appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration within the 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 AODA follows these procedures in establishing the budgetary date reflected in the financial statements:

1. No later than September 1st, the AODA prepares and submits to the Legislative Finance Committee (LFC) and the Budget Division of the Department of Finance and Administration an appropriation request for the fiscal year commencing July 1. The appropriation request includes proposed expenditures and the means of financing them.
2. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcome of these hearings are incorporated into the General Appropriations Act.
3. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit, as which time the approved budget becomes a legally binding document.
4. No later than May 1st, the AODA submits 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 1.
5. All subsequent budget adjustments must be approved by the Director of the DFA Budget Division and by the LFC.
6. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund and the Special Revenue Funds.
7. The budgets for the General Fund and all Special Revenue Funds are adopted on a modified accrual basis of accounting (General Appropriations Act, Chapter 110, Laws of 2015, Section 3, Paragraph L, except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline (Section 6-10-4 NMSA 1978) that must be paid out of next year's budget. A reconciliation of budgetary basis to GAAP basis will be necessary if any accounts payable at the end of the fiscal year are not paid by statutory deadline. The AODA has included such reconciliation for fiscal year 2016.
8. The original budget differs from the final budgets presented in the budget comparison statements by amendments made during the fiscal year.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016**

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

E. Budgets and Budgetary Accounting (cont'd)

9. Appropriations lapse at the end of the fiscal year except for those amounts related to unexpended valid encumbrances for multi-year appropriation

In accordance with the requirements of Section 2.2.2.10.A (2) (b) of 2.2.2 NMAC Requirements for Contracting and Conducting Audits of Agencies and the allowance made by GASB 34, footnote 53, the budgetary comparison statements for major funds have been included as part of the basic financial statements.

F. Cash (Interest in the State General Fund Investment Pool)

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

G. Due from Other State Agencies

Various reimbursement procedures are used for federal awards received by the AODA. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year-end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. Conversely, deferred revenue balances represent an overdraw of cash (advances) in excess of modified accrual basis expenditures. Generally, receivable or deferred balances caused by differences in the timing of cash reimbursements and expenditures will be reversed or returned to the grantor in the remaining grant period. Determining the amount of expenditures reimbursable by the federal government, in some cases, requires management to estimate allowable costs to be charged to the federal government. Any changes in these estimates are recorded in the period that the estimate is changed. Certain federal program funds are passed through the AODA to subgrantee organizations

H. Capital Assets

Capital assets of the AODA include data processing equipment, furniture and fixtures, equipment and automobiles. The AODA does not have any infrastructure. Capital assets are defined in Section 12-6-10 NMDA 1978, amended effective June 19, 2005. The capitalization threshold of movables chattels and equipment items costing more than \$5,000 are capitalized. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Computer software which is purchased with data processing computer equipment is included as part of the capitalized computer equipment in accordance with 2.20.1.9 C (5). The cost of maintenance and repairs that do not add to the asset value of materially extend assets lives are not capitalized. The AODA does not undertake major capital projects involving interest costs during construction phase. There is no debt related to the capital assets. Capital assets of the AODA are depreciated using zero salvage value and the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and Equipment	6
Data Processing Equipment	3
Vehicles	5
Software	3

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016

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

I. Accrued Compensated Absences – Annual and Sick Leave

Qualified employees accumulated annual leave as follows:

Years of Service	Hours Earned Per Month	Days Earned Per Month	Days of Maximum Accrual
1-3	6.67	.83	30
4-6	8.00	1.00	30
7-10	9.99	1.25	30
11-14	12.00	1.50	30
15 th /beyond	13.33	1.67	30

Thirty (30) days of accrued annual leave may be carried forward into the beginning of the next calendar year and any excess is forfeited. When employees terminate, they are compensated for accumulated annual leave as of the date of termination, up to a maximum of thirty (30) days. Accrued annual leave is recorded as a non-current liability in the government-wide financial statements.

Employees who have over 600 hours of accumulated sick leave can receive payment for hours over 600, up to 120 hours on July 1 or January 1 of each year. However, sick leave is paid at fifty percent of the employee's regular hourly wage. At retirement, employees can receive fifty percent payment for up to 400 hours for the hours over 600 hours of accumulated sick leave. Therefore, the only leave which has been accrued represents the hours earned at June 30, 2016, over 600 hours up to 120 hours per employee. Expenditures for accumulated sick pay for hours under 600 will be recognized as employees take such absences. Accrued vested sick pay is recorded as a non-current liability in the government-wide financial statements.

Fair Labor Standards Act (FLSA) nonexempt employees accumulate compensation time at the rate of 1.5 times the number of hours worked, in excess of forty hours per week, based on their regular hourly rate. Exempt and classified employees who are FLSA exempt accumulate compensation time at the same rate as the number of hours worked. Overtime must be pre-approved by management. Payment of this liability can be made by compensated leave time or cash payment.

In accordance with GASB 16, accrued compensated absences consist of accumulated annual leave, sick leave between 600 and 720, and compensatory leave for employees, including the related employers' matching FICA and Medicare payroll taxes.

J. Net Position/Fund Equity/Fund Balances

The **government-wide financial statements** utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Investment in Capital Assets-is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost

Restricted Assets- are liquid assets (generated from revenues and not bond proceeds appropriations), which have a third-party (statutory enabling legislation or granting agency) limitation on their use, and which are legally enforceable as to their use.

Unrestricted Assets- represent unrestricted liquid assets.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016

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

J. Net Position/Fund Equity/Fund Balances (cont'd)

The **fund financial statements** utilize a fund balance presentation. Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*. The financial reporting categories for fund balances of governmental funds are as follows:

Governmental fund balances are now divided into five classifications based on the extent to which government is bound to honor constraints on specific purposes for which amounts in that fund can be spent.

Non-Spendable includes amounts that cannot be spent because they are not spendable form or legally or contractually required to be maintained intact.

These spendable fund categories can be depicted as follows:

Restricted are amount that are so due to enabling legislation, constitutional provisions, externally imposed by grants, contributors, laws or regulation of other governments, or by creditors, such as through debt covenants.

Committed are amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and removal of the constraint would require a formal action by the same authority.

Assigned consists of amounts that are intended to be used for a specific purpose established by the government's highest level of decision making authority, or their designated body or official. The purpose of the assignment much be narrower than the general fund, assigned fund balance represents the residual amount in the fund balance.

Unassigned represents the residual amount after all classification have been considered for the government's general fund and could report a surplus or a deficit.

K. Use of Estimates

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

L. Reversions to State General Fund

Any unexpended State General Fund appropriation balances remaining in SHARE fund 16800 are generally reverted to the State General Fund. The General Appropriations Act, Chapter 110, Laws 2015, Section 3, Paragraph E, unexpended balances in agency accounts remaining at the end of fiscal year 2016 shall revert to the State General Fund by September 30, 2016, unless otherwise indicated in the General Appropriation Act of 2015 or otherwise provided by law. There were unexpended balances in the General Fund Account (Fund #16800) of \$7,408, which will be reverted to the State General Fund. In addition, unexpended balances of special appropriations are reverted when required by law.

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016**

3. Cash (Interest in the State Treasurer General Fund Investment Pool)

Section 8-6-3, NMSA 1978, requires the AODA funds be maintained by the New Mexico State Treasurer's Office. Accordingly, the funds of the AODA consists of Interest in the State General Fund Investment Pool managed by the New Mexico State Treasurer's Office. For additional disclosure information regarding the investment in the State Treasurer's SGFIP, the reader should see the separate audit report for the State Treasurer's Office for the fiscal year ended June 30, 2016, review the State Treasurer's Investment Policy at <http://www.stonm.org/investments/investmentpolicy>, and review sections 2.60.4.1 through 20.60.4.15 of the New Mexico Administrative Code, regarding Investment of Deposits of Public Funds Depository Bank Requirements, Collateral Level Requirements, and Custodial Bank Requirements.

The AODA's Interest in the State Treasurer's General Fund Investment Pool at June 30, 2016 consist of the following:

<u>Account Name</u>	<u>Fund Type</u>	<u>Agency Number</u>	<u>SHARE Fund #</u>	<u>Type of Account</u>	<u>Interest Bearing</u>	<u>Depository Balance at 6/30/2016</u>	<u>Reconciled Balance at 6/30/2016</u>
AODA	General	26400	16800	State Treasury	No	\$112,571	\$112,571
SWBPI	Special Revenue	26400	91680	State Treasury	No	83,923	83,923
VAWA	Special Revenue	26400	10830	State Treasury	No	(3,176)	(3,176)
DA Fund	Special Revenue	26400	11180	State Treasury	No	<u>82,104</u>	<u>82,104</u>
Total Governmental Fund Types						<u>\$ 275,422</u>	<u>\$275,422</u>

General Fund Investment Pool

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

In June 2012, an independent diagnostic report revealed that the State of New Mexico's General Fund Investment Pool has not been reconciled at a "business unit by fund" level since the inception of the Statewide Human Resources, Accounting, and Management Reporting System (SHARE) in July of 2006. This report, entitled "Current State Diagnostic of Cash Control," also described a difference between Pool bank balances and the corresponding general ledger balances and indicated that the effect of reconciling items was unknown. The report, dated June 20, 2012 is available on the website of the New Mexico Department of Finance and Administration at: www.nmdfa.state.nm.us/Cash_Control.aspx.

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

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016**

3. Cash (Interest in the State Treasurer General Fund Investment Pool) (cont'd)

General Fund Investment Pool (cont'd)

The Remediation Project objective was to design and implement changes necessary to ensure ongoing completion of timely, accurate and comprehensive reconciliation of the Pool. DFA has or is in the process of implementing all the recommendations resulting for the Remediation Project and has made changes to the States SHARE system configurations, cash accounting policies and procedures, business practices, and banking structure. This has enabled DFA to complete timely and accurate reconciliation of bank to book balances at the State and Business unit level on a post- implementation basis, however it did not resolve historically reconciling items.

As of June 30, 2016, FCD in collaboration with the STO implemented a comprehensive reconciliation model that compared aggregate agency claims on the Pool and to the associated resources held by STO. This process now has been reviewed by the independent public accountants performing the audits of the State General Fund, the Department of Finance and Administration, and the State of New Mexico's Comprehensive Annual Financial Report for the fiscal year 2015. Each review of the process deemed it to be adequate and the findings related to cash reconciliations were significantly reduced or eliminated. Successfully addressing this issue allowed DFA to reinstate \$100M that had been reserved as a loss contingency.

The AODA has cash reconciliation policies and procedures in place which are performed on a monthly basis to ensure that the agency's cash balances in SHARE are correct to mitigate the risk that the agency's cash balances would be misstated as of June 30, 2016,

4. Due from Other State Agencies

The following are classified as due from other state agencies:

<u>Other State Agency</u>	<u>Business Unit</u>	<u>Fund No.</u>	<u>Amount</u>
Crime Victims Reparation Commission	780	916	<u>\$5,190</u>

5. Due to State General Fund (Reversions)

The following is a summary of the determination of the amount due to the State General Fund at June 30, 2016: General Fund 16800

Cash (Interest in the State General Fund Investment Pool) balance, June 30, 2016	\$ 112,571
Less: Accounts Payable, June 30, 2016	(65,114)
Payroll benefits payable, June 30, 2016	(13,788)
Payroll Taxes payable, June 30, 2016	(8,034)
Accrued payroll payable, June 30, 2016	<u>(18,227)</u>
Due to State General Fund, June 30, 2016	<u>\$ 7,408</u>

The Sources of the reversion amounts by budget fiscal years and appropriation:

FY 2016 unexpended State General Fund appropriation	<u>\$ 7,408</u>
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**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016**

6. Capital Assets

The capital assets activity for the governmental activities for the year ended June 30, 2016, is as follows:

Capital Assets	Balance 2015	Additions	(Deletions)	Balance 2016
Furniture & equipment	\$ 33,221	\$-	\$-	\$ 33,221
Data Processing Equipment	502,564	-	-	502,564
Vehicles	254,430	43,052	-	297,482
Software	14,953	5,670	-	20,623
Capital Assets	805,168	48,722	-	853,890
Less accumulated depreciation for:				
Furniture & equipment	(33,221)	-	-	(33,221)
Data Processing Equipment	(497,857)	(4,707)	-	(502,564)
Vehicles	(247,882)	(6,548)	-	(254,430)
Software	(14,953)	-	-	(14,953)
	(793,913)	(11,255)	-	(805,168)
Capital assets, net	<u>\$ 11,255</u>	<u>\$ 37,467</u>	<u>\$-</u>	<u>\$ 48,722</u>

The AODA does not have any debt related to capital assets. Depreciation expense for the year was \$11,255 and is considered a general government expense.

7. Changes in Long-Term Debt-Compensated Absences Payable

A summary of changes in the current portion of compensation absences payable follows:

	Balance June 30, 2015	Increase	Decrease	Balance June 30, 2016
Compensated absences payable - Current	\$66,857	\$37,163	\$(52,287)	\$51,733
Compensated absences payable - Long Term	32,127	25,537	(21,909)	35,755
Total	<u>\$98,984</u>	<u>\$62,700</u>	<u>\$(74,196)</u>	<u>\$87,488</u>

Compensated absences payable is paid from the general fund #16800

8. Operating Leases

The AODA leases contain office space and equipment under lease agreements with terms ranging from one year to five years with options to renew for additional one to seven year terms. Expenditures for operating leases and other rentals for the year ended June 30, 2016, were \$151,925. Future minimum lease rental payments under these operating leases are as follows (this does not include month-to-month rental payments)

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016**

8. Operating Leases (cont'd)

<u>Year Ending June 30</u>	<u>Amount</u>
<u>2017</u>	<u>\$ 122,972</u>
<u>2018</u>	<u>58,879</u>
<u>2019</u>	<u>48,189</u>
<u>2020</u>	<u>24,567</u>
<u>Total</u>	<u>\$ 254,607</u>

9. Fund balances (Deficits)

As described in the Summary of Significant Accounting Policies, governmental fund balances are now divided into five classification based on the extent to which government is bound to honor constraints on the specific purposes for which amounts in that fund can be spent.

The “unassigned” fund balance for the District Attorney Fund represents the amount of \$73,073 available for budgeting future operations from non-reverting Worthless Check and Pre-Prosecution Diversion Program Funds per Section 36-1-28, NMSA, 1978. Federal Southwest Border Prosecution Initiative Program Special Revenue funds amounting to \$83,923 is also available for budgeting future operations for administrative purposes.

10. Pension Plan – Public Employee Retirement Association

The State of New Mexico follows the requirements of Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions*.

The Administrative Office of the District Attorneys, as part of the primary government of the State of New Mexico, is a contributing employer to 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.

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, NM 87501.

11. Post Employee Benefits – State Retiree Health Care Plan

Plan Description. The AODA contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents.

The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016

11. Post Employee Benefits – State Retiree Health Care Plan (cont'd)

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

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

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

The 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 Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2% of each participating employee's annual salary; and each participating employee was required to contribute 1% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2016, 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 AODA's contributions to the RHCA for the years ended June 30, 2016, 2015 and 2014 were \$17,830, \$18,384 and \$19,475, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016

12. Insurance Coverage – Risk Management

The AODA obtains coverage through Risk Management division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance and state unemployment. These coverages are designed to satisfy the requirements of the State Tort Claims Act. All employees of the AODA are covered by blanket fidelity bond up to \$5,000,000 with a \$1,000 deductible per occurrence by the State of New Mexico for the period July 1, 2015 through June 30, 2016.

13. Transfers To/From Other State Agencies

From Agency/Fund	To Agency/Fund	Amount	Purpose
34100/85300	26400/16800	<u>\$2,228,200</u>	State General Fund Appropriation
78000/91602	26400/10830	<u>\$ 6,579</u>	Final payment for FY15 VAWA Grant
78000/91602	26400/10830	\$ 1,420	Payment for VAWA Grant
78000/91602	26400/10830	<u>3,143</u>	Payment for VAWA Grant
		<u>\$ 4,563</u>	
26400/16800	34101/85300	<u>\$ (6,209)</u>	Reversion to SGF- FY2015
26400/16800	34101/85300	<u>\$ (69)</u>	Stale Dated warrants
26400/16800	35000/35703	\$(27,179)	FY16 Insurance Payment to GSD
26400/16800	35000/35303	(2,365)	FY16 Insurance Payment to GSD
26400/16800	35000/35903	(913)	FY16 Insurance Payment to GSD
26400/16800	35000/35603	<u>(772)</u>	FY16 Insurance Payment to GSD
		<u>\$(31,229)</u>	
26400/16800	35000/36503	<u>\$ (30)</u>	Prior Year Bill- to GSD
26400/16800	35000/80603	<u>\$ (525)</u>	FY16 Appropriation Book purchase
26400/91680	25200/15600	\$ (44,877)	SWBPI-2 nd DA
26400/91680	26500/27700	<u>(167,431)</u>	SWBPI-11 th DIV II DA
		<u>\$(212,308)</u>	
26400/11180	25200/15600	<u>(\$ 120)</u>	Deposit made into wrong acct.
26400/11180	28000/17510	<u>(\$ 2,188)</u>	Payment for NITA Training
25700/16100	26400/16800	<u>\$ 5,670</u>	Cisco Software Device

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Notes to Financial Statements
June 30, 2016

14. Implementation of New Accounting Standards

During the year ended June 30, 2016, the AODA adopted the following Governmental Accounting Standards Board (GASB) Statements:

GASB No. 72 – *Fair Value Measurements and Application*. The objective of this Statement is to provide guidance for determining a fair value measurement for financial reporting purposes, and for applying fair value to certain investments and disclosures related to all fair value measurements. The Statement will not have a material impact on the AODA's financial statements.

GASB No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). 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 Statement will not have a material impact on the AODA's financial statements.

15. Subsequent Events

The AODA has evaluated subsequent events through November 8, 2016, which is the date the financial statements were available to be issued and concluded that no additional disclosures are required.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS
Statement of Revenues and Expenditures - Budget and Actual (Budget Basis)
Non-Major Governmental Funds
Violence Against Women Special Revenue Fund (Fund 10830)
Year Ended June 30, 2016

Statement 1

	Original Approved Budget	Final Approved Budget	Actual Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
REVENUES				
Federal Grants	\$ 10,400	\$ 10,400	\$ 9,754	\$ (646)
Total revenue	10,400	10,400	\$ 9,754	\$ (646)
Cash balance re-budgeted	-	-		
Total Budgeted Revenues	\$ 10,400	\$ 10,400		
EXPENDITURES				
Current:				
General government				
Personal services and employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	6,800	6,800	6,294	506
Other costs	3,600	3,600	3,460	140
Other financing uses	-	-	-	-
Total expenditures	\$ 10,400	\$ 10,400	\$ 9,754	\$ 646
Reconciliation of GAAP Basis to budget basis				
		Revenues	Expenditures	
GAAP basis:		\$ 9,754	\$ 9,754	
Adjustments:				
None		-	-	
Budget basis		\$ 9,754	\$ 9,754	

Note:

The actual expenditures on the budget basis do not include any payments that required a request to pay prior year bills out of the FY2017 budget

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

OTHER INFORMATION

Administrative Office of the District Attorneys
 Vendor Information
 June 30, 2016

<i>Agency Number</i>	<i>Agency Name</i>	<i>Agency Type</i>	<i>RFB#/RFP# (if applicable)</i>	<i>Type of Procurement</i>	<i>Vendor Name</i>	<i>Did Vendor Win Contract?</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>
264	Administrative Office of the District Attorneys	District Attorneys		Sole Source	Childhaven, Inc.	Winner	\$180,000.00	\$180,000.00

Administrative Office of the District Attorneys
 Vendor Information
 June 30, 2016

<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
Farmington, NM	No	No	Providing technical, educational and other assistance to Children's Advocacy Centers (CAC), disseminating information and trends in the movement, and speaking on behalf of the CAC network in New	



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& Co., P.C.

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**INDEPENDENT AUDITORS' 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

Henry R. Valdez, Director
Administrative Office of the District Attorneys
and
Honorable Timothy M. Keller
New Mexico State Auditor
Santa Fe, New Mexico

We have audited, 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, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the respective budgetary comparisons for the General Fund and the Major Special Revenue Funds of the State of New Mexico, Administrative Office of the District Attorneys (AODA) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the AODA's basic financial statements, and have issued our report thereon dated November 8, 2016. We have also audited the financial statements of the non-major governmental fund as of June 30, 2016 and the respective budgetary comparison statement for the year ended June 30, 2016, presented as supplementary information.

Internal Control Over Financial Reporting

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

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

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

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 results 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 AODA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias, Gutierrez & Co., CPAs, P.C.

Macias, Gutierrez & Co., CPAs, P.C.
Española, New Mexico
November 8, 2016

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS**

**Schedule of Findings and Responses
June 30, 2016**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
None	N/A	N/A	N/A
Follow-up on Prior Year Findings:			
None	N/A	N/A	N/A

*** Legend for Findings:**

- A. Material Weakness in Internal Control Over Financial Reporting
- B. Significant Deficiency in Internal Control Over Financial Reporting
- C. Other Matters involving Internal Control Over Financial Reporting
- D. Material Instance of Noncompliance
- E. Immaterial Instance of Noncompliance

**STATE OF NEW MEXICO
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS**

**Financial Statement Preparation and Exit Conference
June 30, 2016**

Financial Statement Preparation

The financial statements and notes to the financial statements were prepared by the Administrative Office of the District Attorneys staff with the assistance of the independent certified public accountants performing the audit. Management is responsible for ensuring that the books and records adequately support the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that the records are current and in balance. Management has reviewed and approved the financial statements and notes to the financial statements.

* * * * *

EXIT CONFERENCE

The financial statements and the auditors' reports were discussed at an exit conference held on November 10, 2016 with the following in attendance:

Administrative Office of the District Attorneys

Henry R. Valdez, Director
Filemon Gonzalez, CFO

Audit Firm

James R. (Jim) Macias, CPA