

**STATE OF NEW  
MEXICO  
DEPARTMENT OF  
FINANCE AND  
ADMINISTRATION**

**Financial Statements**

**With Supplemental Information**

**June 30, 2007**

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

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**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Official Roster**

**June 30, 2007**

Secretary	Katherine Miller
Deputy Secretary	Dannette Burch
Deputy Secretary	Rick Martinez
<u>Division</u>	<u>Director</u>
Administrative Services	Debra Griego
Board of Finance	Olivia Pacheco-Jackson
Financial Control	Anthony I. Armijo
Local Government	Robert Apodaca
State Budget	Dannette Burch

## Independent Auditors' Report

Ms. Katherine B. Miller, Cabinet Secretary  
State of New Mexico  
Department of Finance and Administration  
and  
Mr. Hector H. Balderas,  
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, each major fund, including the budgetary comparisons for the general fund, major special revenue funds, and major capital projects funds, and the aggregate remaining fund information of the State of New Mexico, Department of Finance and Administration (Department), as of and for the year ended June 30, 2007, which collectively comprise the Department's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Department's nonmajor governmental funds including the budgetary comparisons for the nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the basic financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of governmental activities, each major fund, and the remaining aggregate fund information of the State of New Mexico that is attributable to the transactions of the Department. They do not purport to, and do not present fairly the financial position of the State of New Mexico as of June 30, 2007, and the changes in its financial position and its budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Department, as of June 30, 2007, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund, major special revenue funds, and major capital projects funds for the year then ended in conformity with



Ms. Katherine B. Miller, Cabinet Secretary  
State of New Mexico  
Department of Finance and Administration  
and  
Mr. Hector H. Balderas  
New Mexico State Auditor

accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Department as of June 30, 2007, and the respective changes in financial position thereof and the respective budgetary comparisons of all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2007 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 9 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as other supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Moss Adams LLP*

Albuquerque, New Mexico  
December 14, 2007



**STATE OF NEW MEXICO**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2007

The following Management's Discussion and Analysis, or MD&A, for the State of New Mexico, Department of Finance and Administration (the Department) introduces the basic financial statements and provides an analytical overview of the Department's financial condition and results of operations as of and for the year ended June 30, 2007. Additionally, the MD&A provides a discussion of significant changes in the account categories presented in the entity-wide Statement of Net Assets and Statement of Activities. This summary should not be taken as a replacement for the basic financial statements.

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis -for State and Local Governments, issued June 1999; GASB Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis -for State and Local Governments: Omnibus, an amendment to GASB Statements No. 21 and No. 34, issued in June 2001, and; GASB Statement No. 38, Certain Financial Statement Note Disclosures, issued in 2001.

#### **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

Although the Department is one of several agencies within the government of the State of New Mexico, the only focus of this financial report is on the Department, and not the State of New Mexico taken as a whole. The financial statements include the following three elements: (1) Management's Discussion and Analysis, (2) the Basic Financial Statements, and (3) Other Supplementary Information. The basic financial statements include two kinds of statements that present different views of the Department:

The first two statements are agency-wide financial statements that report information about the Department's overall financial condition and results of operations, both long-term and short-term, using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the Department's assets, liabilities, and net assets. All revenues and expenses are accounted for in the Statement of Activities regardless of when Interest in State Treasurer Investment Pool is received or disbursed. The remaining statements are fund financial statements.

Governmental funds statements, including the Balance Sheet and Statement of Revenues, Expenditures, and Change in Fund Balances, focus on individual parts of the Department, reporting the Department's financial condition and results of operations in more detail than the agency-wide statements, and tell how general government services were financed in the short term as well as what remains for future spending. Emphasis is on the general and major funds. Non-major governmental funds are summarized in a single column.

Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) reports the original approved budget, final approved budget, and actual results presented on the budgetary basis of reporting for the general fund and all major funds. A separate column is presented to report any variances between the final budget and actual amounts.

Statement of Fiduciary Net Assets provides information about the financial relationships in which the Department acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Additional details about the basic financial statements are found in the Notes to the Financial Statements and the Supplementary Information sections.

#### **FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE**

The following condensed financial information was derived from the agency-wide financial statements and compares the current year to the prior year:

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	Current Year - June 30, 2007	Prior Year - June 30, 2006	Increase/ (Decrease)	Percentage Change
<b>Condensed Statement of Net Assets:</b>				
<b>Assets</b>				
Current assets (+)	568,771,780	426,412,525	142,359,255	33%
Capital assets (+)	<u>24,314,685</u>	<u>17,679,348</u>	<u>6,635,337</u>	38%
Total assets (= +)	<u>593,086,465</u>	<u>444,091,873</u>	<u>148,994,592</u>	34%
<b>Liabilities</b>				
Current liabilities (-)	448,132,786	344,021,073	104,111,713	30%
Long-term liabilities (-)	<u>3,975</u>	<u>7,473</u>	<u>(3,498)</u>	-47%
Total liabilities (= -)	<u>448,136,761</u>	<u>344,028,546</u>	<u>104,108,215</u>	30%
<b>Net assets</b>				
Invested in capital assets (+)	24,314,685	17,679,348	6,635,337	38%
Restricted (+)	<u>120,635,019</u>	<u>82,383,979</u>	<u>38,251,040</u>	46%
Total net assets (= +)	<u>144,949,704</u>	<u>100,063,327</u>	<u>44,886,377</u>	45%
Total Liabilities and Nets Assets	<u>593,086,465</u>	<u>444,091,873</u>	<u>148,994,592</u>	34%
<b>Condensed Statement of Activities:</b>				
<b>Governmental revenue and expenses</b>				
Program revenues (+)	18,393,962	31,785,505	(13,391,543)	-42%
<b>Program expenses:</b>				
Policy development (-)	3,393,238	3,441,683	(48,445)	-1%
Program support (-)	1,530,774	1,366,398	164,376	12%
Community development (-)	3,256,452	2,969,123	287,329	10%
Fiscal management (-)	6,640,881	4,411,565	2,229,316	51%
Grants to others (-)	191,172,382	225,732,288	(34,559,906)	-15%
Other fiscal support (-)	<u>48,953,606</u>	<u>48,632,578</u>	<u>321,028</u>	1%
Program expenses (= -)	<u>254,947,333</u>	<u>286,553,635</u>	<u>(31,606,302)</u>	-11%
Deficiency (= -)	<u>236,553,371</u>	<u>254,768,130</u>	<u>(18,214,759)</u>	-7%
General fund appropriations (+)	251,828,571	193,308,089	58,520,482	30%
State community development appropriations (+)	-	11,719,951	(11,719,951)	-100%
STB Appropriation	23,634,112	84,452,729	(60,818,617)	-72%
Taxes and surcharges (+)	86,595,255	44,519,972	42,075,283	95%
Other general revenues (+)	<u>1,430,891</u>	<u>506,224</u>	<u>924,667</u>	183%
Total revenues (= +)	<u>363,488,829</u>	<u>334,506,965</u>	<u>28,981,864</u>	9%
Transfers in (+)	2,000,000	8,609,802	(6,609,802)	-77%
Transfers out (-)	78,190,774	41,010,162	37,180,612	91%
Reversions (-)	9,893,935	12,566,885	(2,672,950)	-21%
Other financing sources/uses (= +)	<u>(86,084,709)</u>	<u>(44,967,245)</u>	<u>(41,117,464)</u>	91%
Change in Net Assets	40,850,749	34,771,590	6,079,159	17%
Beginning Net Assets	100,063,327	58,242,737	41,820,590	72%
Contributed Capital	<u>4,035,628</u>	<u>7,049,000</u>	<u>(3,013,372)</u>	-43%
Ending Net Assets	<u>144,949,704</u>	<u>100,063,327</u>	<u>44,886,377</u>	45%

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
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**FINANCIAL HIGHLIGHTS**

- Capital Assets continued to increase significantly due to the continuing work on the Statewide Human Resources, Accounting and Management REporting (SHARE) Project. The project is funded through the sale of Severance Tax Bonds pursuant to the laws of 2004, Chapter 26, Section 11 and 561 and the contributions of additional funds for purchase of additional modules from other agencies. The system was implemented on July 1, 2006 and depreciation was calculated based on a ten year service life with no residual value. The phase two portion of the project was not depreciated in 2007 but will be depreciated using the same life as the phase one portion beginning in fiscal year 2008.
- A decrease in long-term debt occurred as the last payment to be made on the E911 Revenue Bonds was made in fiscal year 2007. The only other long-term obligations of the state are the amounts estimated to be paid out as compensated absences.
- The decrease in long-term debt caused a significant change in the fund balance of the E911 Program Fund as the residual income is no longer needed for debt service.
- An increase in assets occurred due to the recognition of additional capital projects appropriated by the legislature which resulted in a corresponding liability. The net asset increase was due largely to the recognition of the Tobacco Settlement Fund and the transfer of the County Supported Medicaid Fund from a fiduciary fund to a special revenue fund.
- Other variances experienced were the effect of increasing appropriations for which the Department accounts for and distributes. These variances are generally proportionately dispersed among account classes.

**FINANCIAL ANALYSIS AT THE FUND LEVEL**

The following analysis was derived from the fund financial statements and compares the current year fund balances to the prior year:

	Current Year <u>6/30/2007</u>	Prior year <u>6/30/2006</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
General Fund	933	118,000	(117,067)	-99%
Community Development Projects	-	32,398	(32,398)	n/a
Community Development Block Grant	201,501	258,312	(56,811)	-22%
Job Growth and Tax Relief	-	-	-	n/a
Local DWI Grant Program	1,463,268	2,555,096	(1,091,828)	-43%
Law Enforcement Protection Fund	100,000	100,000	-	0%
E911 Income Fund	-	2,783,243	(2,783,243)	-100%
Special Community Projects	77,565,057	-	77,565,057	n/a
County Supported Medicaid Fund	-	-	-	n/a
Tobacco Settlement Fund	9,219,853	-	9,219,853	n/a
Other Governmental Funds	<u>32,700,138</u>	<u>77,789,804</u>	<u>(45,089,666)</u>	-58%
Totals	<u>121,250,750</u>	<u>83,636,853</u>	<u>37,613,897</u>	45%

**GENERAL BUDGETARY HIGHLIGHTS**

- The Department budgets at the category level by department value. For the year ending June 30, 2007, there were no budget overruns to report.
- Significant adjustments were made to the budget in the Local DWI Grant Fund to allow for the distribution of increasing revenue. Revenue is derived from the tax of alcohol sales and is reported by

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DEPARTMENT OF FINANCE AND ADMINISTRATION  
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county. Distributions are made to the counties based on a funding formula which considers the quarterly sales reported.

**PERFORMANCE MEASURES**

The Department collects data to measure success in meeting performance measure targets to address the requirements for the Accountability in Government Act (AGA), Sections 6-3A-1 through 6-3A-8 NMSA 1978. Performance measures outlined in the General Appropriation's Act, Laws of 2004, for the year ended June 30, 2007 were as follows:

Type of Measure	Measure	Target	Result
	<b>Policy Development Program</b>		
Outcome	Error rate for eighteen-month general fund revenue forecast.	2.75%	16.82% (FY06 Result Reported)
Outcome	Percent of bond proceeds balances not reauthorized and older than five years for inactive projects that are reverted by June 30.	90%	99%
Outcome	Average number of working days to process budget adjustment requests.	5	5.5
Outcome	New Mexico bond rating.	AAA	AA+
Quality	Level of general fund reserves maintained as a percent of recurring appropriations.	9%	10.2%
Output	Percent of key agencies reporting key performance data by specified deadlines.	100%	76%
	<b>Community Development Program</b>		
Output	Percent of community development block grant closeout letters issued within forty-five days of review of final report.	70%	100%
Outcome	Percent of capital outlay projects closed by the reversion date.	75%	N/A
Outcome	Number of alcohol-related fatalities in New Mexico.	183	41
Outcome	Number of alcohol-related fatal crashes in New Mexico.	158	167 (FY06 Result Reported)
	<b>Fiscal Management Program</b>		
Quality	Percent of time the central payroll system is operational.	100%	100%
Quality	Percent of time the central accounting system is operational.	100%	97%
Efficiency	Average number of business days needed to process payments utilizing the SHARE system.	2	3
Quality	Number of state agencies achieving five or more of the six "responsibility for the accounting function" standards.	50	N/A

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For the Year Ended June 30, 2007**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Total capital assets for the Department make up less than 0.4 percent of the Department's total assets, and depreciation expense is less than 0.2 percent of total revenues. There was no significant activity during the year affecting capital assets. The Department has no infrastructure assets.

E 911 revenue bonds were paid in full during fiscal year 2007. During the year ended June 30, 2007, debt service payments of \$778,525 were made, of which the principal payment of \$745,000 reduced the total amount of bonds payable. Interest payments during the year totaled \$33,525. The E 911 revenue bonds were payable primarily from, and secured by, a twenty-five cent surcharge on most telephone access lines in the state.

While the Board of Finance is responsible for issuing and administering most of the bonds for the State of New Mexico, liabilities of the Department. Consequently, there are no liabilities reported in the Statement of Net Assets for general obligation bonds, severance tax bonds, or supplemental severance tax bonds. Bond ratings for all bonds issued and administered by the Board of Finance, are as follows:

	Bond Type	Moody's	Standard & Poor's
General Obligation Bonds		Aa1	AA+
Severance Tax Bonds		Aa2	AA
Supplemental Severance Tax Bonds		Aa3	A+

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The United States economy grew during fiscal year 2007 (FY07) by a modest 1.9 percent (real) with 2.7 percent consumer price index (CPI) inflation. The real gross domestic product (GDP) grew 1.1, 2.1, 0.6 and 3.8 percent over the four quarters of FY07. The third quarter of 2007 showed very strong economic growth of 4.9 percent. This brief resurgence has been supported by exports, consumption of services and inventory build-up, with contributions toward the total growth of 4.9 percent or 2.08, 1.18 and .97 percent respectively. The continued and troubled drag from residential housing (-1.03 percent contribution) and its twin, the sub-prime mortgage foreclosure problem, balance this recent quarterly strength. The third-longest economic expansion since WWII – 72 months as of November -- will slow sharply. Global Insight (GI), the state's national macroeconomic forecasting service, recently increased the likelihood of a short, shallow recession in 2008 to 40 percent. In support of this view, a majority of business economists expect the housing slump to continue – at least in California, Florida, Nevada and Michigan – and to carry the national economy down into or near recession. Energy prices cause problems for consumers as well, such as over-85 dollars per barrel for crude oil which contribute to 3 dollars a gallon gasoline and home heating oil, . The period of greatest risk lies in the 2007:Q4 quarter and the first half of 2008. Over that period, Global Insight expects growth of just 1.2 percent, revised down from 1.5 percent in the October forecast. In its effort to forestall recession, The Federal Reserve Board will tolerate a substantial increase in inflation, with CPI inflation spiking above 4 percent year-on-year early in 2008 as higher energy prices feed through the economy. GI expects core personal consumption expenditures (PCE) inflation to average 1.8 percent in 2008.

Consumer confidence measures reflect, among other concerns, energy price volatility in FY07. Crude oil set an all-time high on November 23, 2007 at 98.18 dollars per barrel while gasoline prices in excess of 3 dollars per gallon have been commonplace. Crude oil (New Mexico prices) averaged 60.23 dollars for the fiscal year compared to 59 dollars a year earlier, while natural gas (New Mexico prices) averaged 6.54 dollars per thousand cubic feet (mcf) – significantly less than the 7.46 dollars recorded during FY06. High energy prices contain good and bad news. Consumers who will have less money to spend on taxable commodities from the



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increase of transportation and home heating/cooling energy prices see bad news. The General Fund, however, gains about 12.5 million dollars for each 10 cents per mcf increase in gas prices and about 5 million dollars for each one dollar per barrel increase in crude oil prices. The largest uncertainty in the General Fund revenue estimate continues to be oil and gas revenues, although corporate income taxes, particularly amounts paid by mineral extraction companies, also track the high energy prices. Also, historically high corporate income tax collections may moderate.

New Mexico no longer ranks as one of the fastest job producing states in the nation, with significant falloff from peaks achieved during FY05. Global Insight ranks October 2007 job growth at 0.9 percent year-over-year and ranked New Mexico 31<sup>st</sup> among the states. As recently as June, New Mexico ranked 17<sup>th</sup> among all states in the nation for job growth with 1.5 percent growth year-on-year. Non-farm employment grew for all of FY07 at 2.4 percent, with quarterly job growth of 3.1, 2.8, 2.0 and 1.7 percent. Non-farm employment grew in 2007:Q3 (preliminary) at 1.6 percent with 1.4 percent growth expected in 2007:Q4, despite the 0.9 percent October job growth. New Mexico's seasonally adjusted unemployment rate declined to 3.1 percent in October 2007 from 4.1 percent a year ago, with very tight labor markets and wage inflationary pressures as a concern to economists.

Amid the gloomy news about the housing slump and the well-publicized sub-prime mortgage foreclosures, New Mexico turned in relatively good performance. The well-publicized crash of the "housing bubble" and the collapse of the sub-prime lending market will hold down state and national economic growth. Some housing markets were apparently overvalued and are currently and will in the near future experience significant declines in new home construction, sales of pre-owned homes and median prices of new and pre-owned homes. Other markets, including Albuquerque and the rest of New Mexico, will experience a more modest slowing of shorter duration in new home construction, modest or no absolute decline in median prices and relatively quick recovery to pre-2004 trend growth. A recent report from the Office of Federal Enterprise Oversight (OFHEO) intimates that the housing crisis may be largely restricted to California, Florida, Nevada and Michigan, as New Mexico's median home prices increased by 7.4% in 2007:Q2, putting the state in 4<sup>th</sup> highest among all states in that important statistic. Similarly, data from the Mortgage Bankers Association (MBA) through October 2007 show that New Mexico experienced a year-on-year decline in housing foreclosure action.

FY07 total General Fund revenues grew a modest 4.3 percent from FY06 levels. Recurring revenues grew 10.1 percent in FY04; 14.6 percent in FY05 and 13.7 percent in FY06. Thus, many find FY07's results disappointing. Lower prices and production volumes contributed to lower General Fund revenues from oil and gas production.

Over all, mineral extraction revenues were down 7.6 percent from FY06, while rents and royalties (primarily federal mineral leasing royalty payments) were down 9.5 percent. Gross receipts tax collections, however, were up a strong 8.5 percent, partially because of a new management structure of the Los Alamos National Laboratory. Corporate income tax was up a very strong 22.1 percent and compensating tax collections increased by 15.4 percent on the back of high energy prices. Personal income tax was up 3.5 percent, investment income was up 2.3 percent, selective sales taxes showed no net growth, while reversions were up 157.5 percent.

<b>How are we doing?</b>					
<b>Recent Global Insight Rankings of the States</b>					
<b>Job Growth (percent) (Y/Y thru October 2007)</b>			<b>Unemployment Rate (percent) (October 2007)</b>		
1	Utah	4.2	1	Idaho	2.5
31	New Mexico	0.9	6	New Mexico	3.1
51	Michigan	-1.7	51	Michigan	7.7
<b>Total Personal Income Growth Rate (Annualized, 2007:Q2)</b>			<b>Per-Capita Income (dollars) as of (2007:Q2)</b>		
1	Utah	8.2	1	District of Columbia	60,660
7	New Mexico	6.7	44	Utah	31,432
51	New York	-0.4	45	New Mexico	31,161
			51	Mississippi	28,296

General Fund revenue growth was held back in FY07 by moderating average oil and gas production. As expected in this review last year, the oil and natural gas component of General Fund recurring revenues for

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For the Year Ended June 30, 2007**

FY07 receded to normal or below-normal growth levels because there was no repeat of 2005's hurricanes Katrina and Rita which disrupted domestic production in the fall and winter of 2005.

Total FY08 and FY09 General Fund revenues are currently forecasted to grow at 3.4 and 1.6 percent respectively. Three principal reasons cause the year-over-year slow growth. (1) Oil and gas taxes and federal mineral leasing payments are directly responsive to the forecast in energy prices. Although we expect oil prices to peak at 80 dollars per barrel in FY08, natural gas prices were revised downwards in the December 2007 forecast. Overall, both FY08 and FY09 revenues from oil and gas will not contribute growth during the forecast period. (2) Secondly, for the period June 2006 through June 2007, approximately 2/3<sup>rd</sup> of total record-high corporate income tax collections came from mineral extraction firms. As energy prices moderate, profits for these mineral extraction firms will also moderate. In addition, there were some non-recurring contributions in FY07 to corporate income tax from enhanced audit activity and elevated levels of claims against the corporate income tax from the higher levels of film production credit enacted in 2004. (3) The third reason for the decline is that the final step of 2003's phased personal income tax rate reduction law became effective January 1, 2008 and will affect FY08 and FY09 personal income tax (PIT) growth. Gross receipts tax and personal income tax collections are not as sensitive to oil and gas drilling or production activity as the corporate income and the mineral extraction taxes,

General sales tax collections, which include the gross receipts tax and the compensating tax, totaled 1,892.9 million dollars for FY07 and are expected to reach 1,974.0 million dollars in FY08 per the December 2007 revenue revision, or a 4.3 percent increase from FY07. This FY08 estimate was revised upwards from 1,951.2 million dollars in October on the basis of strong actual collections at the end of FY07.

Income taxes, both personal and corporate, are expected to decline by 2.3 percent from 1,624.4 million dollars in FY07 to 1,587.8 million dollars in FY08. This comes from a combination of (1) net increase in oil and gas profits which generate a slight year-over-year gain in corporate income tax collections, offset by higher film production credits than previously expected; and (2) the implementation of the final step of the four-step PIT cut enacted in 2003. Base personal income tax collections in the absence of rate cuts grow somewhat faster than the growth of underlying personal income. Personal income is forecast to increase in FY08 by 6.5 percent, so we might expect natural growth in the range of 7.5 percent to 8.0 percent. However, the forecasts with rate cuts are substantially lower than this range with -1.4 percent forecasts for FY08, 2.3 percent for FY09 and 6.0 percent for FY10. The final step of the phased PIT cut drops the top PIT marginal rate from 5.3 percent to 4.9 percent for tax years 2008 et. seq.

Overall, after three years of double-digit recurring revenue growth, the recurring revenue forecast for FY07 of 3.1 percent, for FY08 of 2.6 percent and FY09 of 2.4 percent return the General Fund to more traditional and accustomed growth levels.

Downside risks to the FY08 and FY09 revenue forecasts include: (1) the significant possibility of recession in 2008; (2) weakness in energy prices, particularly if speculators abandon the crude oil futures markets in favor of other, more profitable opportunities; (3) second-order effects of the housing slump – particularly if the non-residential construction sector falters; and (4) currency exchange rates reversing trend (because the dollar is now a bargain compared to our trading partners), interfering with the surge of exports. Upside risks include: (1) one- or two-years of higher corporate income taxes because of sustained high oil and gas prices; (2) higher federal leasing payments because of sustained high prices for oil and gas as well as mined minerals, expiration of stripper well royalty differentials and more aggressive auditing of oil and gas declarations; and (3) transfer of more interest in State Treasurer Investment Pool from treasurer's investments relative to accrued interest earned.

**CONTACT INFORMATION**

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Santa Fe, NM 87501

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Statement of Net Assets  
June 30, 2007**

	<u>Total Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Interest in State Treasurer Investment Pool	\$ 404,643,051
Loans Receivable	4,880,230
Interest Receivable	12,678
Overpayment due from GSD	2,715
Receivable from Federal Government	2,752,433
Receivable from State General Fund	953,740
Due from external parties	149,521,987
Receivable From Other State Agencies	<u>6,004,946</u>
Total Current Assets	568,771,780
Noncurrent Assets	
Capital Assets, net of accumulated depreciation	<u>24,314,685</u>
Total Assets	<u>\$ 593,086,465</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	14,805,517
Accrued Payroll	842,828
Payable to State General Fund	11,078,261
Due to external parties	13,793
Payable To Other State Agencies	6,656,236
Payable To Local Governments	412,559,085
Deferred Revenues	1,565,310
Compensated Absences	<u>611,756</u>
Total Current Liabilities	<u>448,132,786</u>
Noncurrent Liabilities	
Compensated Absences	<u>3,975</u>
Total Noncurrent Liabilities	<u>3,975</u>
Total Liabilities	<u>448,136,761</u>
<b>NET ASSETS</b>	
Invested in Capital assets	24,314,685
Restricted For:	
CDBG Loan Activity	201,501
Local DWI Grant Activity	1,463,268
Law Enforcement Activity	100,000
Special Community Projects	77,565,057
Tobacco Settlement Funds	9,219,853
Other Governmental Activity	<u>32,085,340</u>
Total Net Assets	<u>144,949,704</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 593,086,465</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

Exhibit 2

**Statement of Activities  
For the Year Ended June 30, 2007**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Operating Grants and Contributions</b>	<b>Net (Expense) Revenue and Changes in Net Assets</b>
<b>Governmental Activities</b>			
Policy Development	\$ 3,393,238	\$ 1,200,000	\$ (2,193,238)
Program Support	1,530,774	-	(1,530,774)
Community Development	3,256,452	-	(3,256,452)
Fiscal Management	6,640,881	-	(6,640,881)
Grants to Others	191,172,382	17,193,962	(173,978,420)
Other Fiscal Support	48,953,606	-	(48,953,606)
Total Governmental Activities	\$ 254,947,333	\$ 18,393,962	(236,553,371)
<b>General Revenues</b>			
State General Fund Appropriations			251,828,571
STB Appropriations			23,634,112
Alcohol Tax Revenue			15,088,151
E911 Surcharges			11,730,265
Civil legal assessments			1,564,534
Interest Income			1,430,891
Assessments			39,429,607
Other Revenue (Note 7)			18,782,698
Contributed Capital (Note 10)			4,035,628
Reversions			(9,893,935)
Transfers in			2,000,000
Transfers out			(78,190,774)
Total General Revenues, Reversions and Transfers			281,439,748
<b>Changes in Net Assets</b>			44,886,377
<b>Net Assets at beginning of period</b>			100,063,327
<b>Net Assets at the end of the period</b>			\$ 144,949,704

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Balance Sheets - Governmental Funds  
June 30, 2007**

	<u>General Fund</u>	<u>Community Development Projects (see Statement A)</u>	<u>Community Development Block Grant Fund 088</u>
<b>ASSETS</b>			
Interest in State Treasurer Investment Pool	\$ 3,577,858	\$ 272,942,802	\$ -
Loans Receivable	-	-	201,501
Interest Receivable	-	-	-
Overpayment due from GSD	2,643	-	72
Receivable From Federal Government	-	-	2,752,433
Receivable From State General Fund	-	-	-
Receivable From Other Funds	200,513	-	-
Receivable From Agency Funds	-	143,041,564	-
Receivable From Other State Agencies	-	745,000	-
<b>Total Assets</b>	<u><u>\$ 3,781,014</u></u>	<u><u>\$ 416,729,366</u></u>	<u><u>\$ 2,954,006</u></u>
<b>LIABILITIES</b>			
Interest in State Treasurer Investment Pool (deficit)	\$ -	\$ -	\$ 1,829,149
Accounts Payable	623,652	2,650,930	782,667
Accrued Payroll	723,229	-	33,151
Payable To State General Fund	2,376,432	314,273	-
Payable To Other Funds	-	-	107,538
Payable To Agency Funds	-	-	-
Payable To Other State Agencies	49,364	1,344,577	-
Payable To Local Governments	-	412,419,586	-
Deferred Revenues	7,404	-	-
<b>Total Liabilities</b>	<u><u>3,780,081</u></u>	<u><u>416,729,366</u></u>	<u><u>2,752,505</u></u>
<b>FUND BALANCES</b>			
Reserved For:			
Loans	-	-	201,501
Capital Projects	-	-	-
Special Revenue Projects	-	-	-
Specified Uses	933	-	-
<b>Total Fund Balances</b>	<u><u>933</u></u>	<u><u>-</u></u>	<u><u>201,501</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 3,781,014</u></u>	<u><u>\$ 416,729,366</u></u>	<u><u>\$ 2,954,006</u></u>

See accompanying notes to financial statements.



**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Balance Sheets - Governmental Funds  
June 30, 2007**

	Local DWI Grant Program Fund 560	Jobs and Growth Tax Relief Fund 625	Law Enforcement Protection Fund 736
<b>ASSETS</b>			
Interest in State Treasurer Investment Pool	\$ 3,659,408	\$ 1,755,579	\$ 7,077,864
Loans Receivable	-	-	-
Interest Receivable	12,678	-	-
Overpayment due from GSD	-	-	-
Receivable From Federal Government	-	-	-
Receivable From State General Fund	-	-	-
Receivable From Other Funds	-	-	-
Receivable From Agency Funds	-	-	-
Receivable From Other State Agencies	-	-	14,058
Total Assets	<u>\$ 3,672,086</u>	<u>\$ 1,755,579</u>	<u>\$ 7,091,922</u>
<b>LIABILITIES</b>			
Interest in State Treasurer Investment Pool (deficit)	\$ -	\$ -	\$ -
Accounts Payable	2,123,973	197,673	-
Accrued Payroll	25,908	-	-
Payable To State General Fund	-	-	6,852,423
Payable To Other Funds	58,937	-	-
Payable To Agency Funds	-	-	-
Payable To Other State Agencies	-	-	-
Payable To Local Governments	-	-	139,499
Deferred Revenues	-	1,557,906	-
Total Liabilities	<u>2,208,818</u>	<u>1,755,579</u>	<u>6,991,922</u>
<b>FUND BALANCES</b>			
Reserved For:			
Loans	-	-	-
Capital Projects	-	-	-
Special Revenue Projects	1,463,268	-	100,000
Specified Uses	-	-	-
Total Fund Balances	<u>1,463,268</u>	<u>-</u>	<u>100,000</u>
Total Liabilities and Fund Balances	<u>\$ 3,672,086</u>	<u>\$ 1,755,579</u>	<u>\$ 7,091,922</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Balance Sheets - Governmental Funds  
June 30, 2007

	Special Community Projects Fund 581	County Supported Medicaid Fund Fund 021	Tobacco Settlement Fund Fund 697
<b>ASSETS</b>			
Interest in State Treasurer Investment Pool	\$ 79,571,066	\$ 1,237,932	\$ 9,219,853
Loans Receivable	-	-	-
Interest Receivable	-	-	-
Overpayment due from GSD	-	-	-
Receivable From Federal Government	-	-	-
Receivable From State General Fund	-	-	-
Receivable From Other Funds	123,568	-	-
Receivable From Agency Funds	-	-	-
Receivable From Other State Agencies	-	2,543,217	-
<b>Total Assets</b>	<u>\$ 79,694,634</u>	<u>\$ 3,781,149</u>	<u>\$ 9,219,853</u>
<b>LIABILITIES</b>			
Interest in State Treasurer Investment Pool (deficit)	\$ -	\$ -	\$ -
Accounts Payable	2,129,577	-	-
Accrued Payroll	-	-	-
Payable To State General Fund	-	-	-
Payable To Other Funds	-	-	-
Payable To Agency Funds	-	-	-
Payable To Other State Agencies	-	3,781,149	-
Payable To Local Governments	-	-	-
Deferred Revenues	-	-	-
<b>Total Liabilities</b>	<u>2,129,577</u>	<u>3,781,149</u>	<u>-</u>
<b>FUND BALANCES</b>			
Reserved For:			
Loans	-	-	-
Capital Projects	-	-	-
Special Revenue Projects	77,565,057	-	9,219,853
Specified Uses	-	-	-
<b>Total Fund Balances</b>	<u>77,565,057</u>	<u>-</u>	<u>9,219,853</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 79,694,634</u>	<u>\$ 3,781,149</u>	<u>\$ 9,219,853</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Balance Sheets - Governmental Funds  
June 30, 2007

	Other Governmental Funds (see Statement B-1)	Total Governmental Funds
<b>ASSETS</b>		
Interest in State Treasurer Investment Pool	\$ 27,429,838	\$ 406,472,200
Loans Receivable	4,678,729	4,880,230
Interest Receivable	-	12,678
Overpayment due from GSD	-	2,715
Receivable From Federal Government	-	2,752,433
Receivable From State General Fund	953,740	953,740
Receivable From Other Funds	13,826,993	14,151,074
Receivable From Agency Funds	6,480,423	149,521,987
Receivable From Other State Agencies	2,702,671	6,004,946
Total Assets	<u>\$ 56,072,394</u>	<u>\$ 584,752,003</u>
<b>LIABILITIES</b>		
Interest in State Treasurer Investment Pool (deficit)	\$ -	1,829,149
Accounts Payable	6,297,045	14,805,517
Accrued Payroll	60,540	842,828
Payable To State General Fund	1,535,133	11,078,261
Payable To Other Funds	13,984,599	14,151,074
Payable To Agency Funds	13,793	13,793
Payable To Other State Agencies	1,481,146	6,656,236
Payable To Local Governments	-	412,559,085
Deferred Revenues	-	1,565,310
Total Liabilities	<u>23,372,256</u>	<u>463,501,253</u>
<b>FUND BALANCES</b>		
Reserved For:		
Loans	8,273,203	8,474,704
Capital Projects	5,338,782	5,338,782
Special Revenue Projects	19,088,153	107,436,331
Specified Uses	-	933
Total Fund Balances	<u>32,700,138</u>	<u>121,250,750</u>
Total Liabilities and Fund Balances	<u>\$ 56,072,394</u>	<u>\$ 584,752,003</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Exhibit 4**

**Reconciliation of the Government Fund Balance Sheets to the Statement of Net Assets  
June 30, 2007**

Total fund balances - governmental funds (Exhibit 3)		\$ 121,250,750
 Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
These assets consist of:		
	Furniture, fixture, and equipment	28,110,190
	Accumulated depreciation	<u>(3,795,505)</u>
Total capital assets - net		<u>24,314,685</u>
 Liabilities are not due and payable in the current period and therefore are not reported in the funds.		
These liabilities consist of:		
	Compensated absences	(615,731)
Net assets of governmental activities (Exhibit 1)		<u><u>\$ 144,949,704</u></u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Statement of Revenues, Expenditures and Changes in  
Fund Balances- Governmental Funds  
For the Year Ended June 30, 2007

	<u>General Fund</u>	<u>Community Development Projects (See statement A)</u>	<u>Community Development Block Grant Fund 088</u>
<b>REVENUES</b>			
Federal Grants	\$ 165,250	\$ -	\$ 11,299,243
Assessments and Fees	-	-	-
E911 Surcharges	-	-	-
Alcohol Tax Revenue	-	-	-
Civil Legal Filing Fees	-	-	-
Private Grants	-	-	-
Interest Earned	-	-	52
Local Governments	-	-	-
Other Revenue	7,683	-	-
<b>Total Revenues</b>	<u>172,933</u>	<u>-</u>	<u>11,299,295</u>
<b>EXPENDITURES</b>			
Current Operating:			
Policy Development	3,299,373	-	-
Program Support	1,511,292	-	-
Community Development	2,147,164	-	-
Fiscal Management	4,778,171	-	-
Grants To Others	-	169,372,257	10,698,902
Other Fiscal Support - State Entities	2,139,766	-	-
Other Fiscal Support - Local Governments	1,319,401	-	657,204
Other Fiscal Support - Miscellaneous	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<u>15,195,167</u>	<u>169,372,257</u>	<u>11,356,106</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(15,022,234)</u>	<u>(169,372,257)</u>	<u>(56,811)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
General Fund Appropriation	16,372,900	146,149,219	-
Capital Projects Appropriation	-	-	-
STB Appropriation	-	23,190,640	-
Reversion - Fiscal Year 2007	(2,079,288)	-	-
Transfers In:			
Interfund	611,555	-	-
Other	-	-	-
Transfers Out:			
Interfund	-	-	-
Other	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>14,905,167</u>	<u>169,339,859</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(117,067)</u>	<u>(32,398)</u>	<u>(56,811)</u>
Fund Balance-Beginning of Year	<u>118,000</u>	<u>32,398</u>	<u>258,312</u>
Fund Balance-End of Year	<u>\$ 933</u>	<u>\$ -</u>	<u>\$ 201,501</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Statement of Revenues, Expenditures and Changes in  
Fund Balances- Governmental Funds  
For the Year Ended June 30, 2007

	Local DWI Grant Program Fund 560	Jobs and Growth Tax Relief Fund 625	Law Enforcement Protection Fund 736
<b>REVENUES</b>			
Federal Grants	\$ -	\$ 5,732,106	\$ -
Assessments and Fees	-	-	11,844,823
E911 Surcharges	-	-	-
Alcohol Tax Revenue	15,088,151	-	-
Civil Legal Filing Fees	-	-	-
Private Grants	-	-	-
Interest Earned	-	-	-
Local Governments	-	-	-
Other Revenue	655,162	-	-
<b>Total Revenues</b>	<b>15,743,313</b>	<b>5,732,106</b>	<b>11,844,823</b>
<b>EXPENDITURES</b>			
Current Operating:			
Policy Development	-	-	-
Program Support	-	-	-
Community Development	-	-	-
Fiscal Management	-	-	-
Grants To Others	-	-	4,992,400
Other Fiscal Support - State Entities	-	5,319,106	-
Other Fiscal Support - Local Governments	15,035,141	-	-
Other Fiscal Support - Miscellaneous	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<b>15,035,141</b>	<b>5,319,106</b>	<b>4,992,400</b>
Excess (Deficiency) of Revenues Over Expenditures	<b>708,172</b>	<b>413,000</b>	<b>6,852,423</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
General Fund Appropriation	-	-	-
Capital Projects Appropriation	-	-	-
STB Appropriation	-	-	-
Reversion - Fiscal Year 2007	-	-	(6,852,423)
Transfers In:			
Interfund	-	-	-
Other	-	-	-
Transfers Out:			
Interfund	-	-	-
Other	(1,800,000)	(413,000)	-
<b>Total Other Financing Sources and Uses</b>	<b>(1,800,000)</b>	<b>(413,000)</b>	<b>(6,852,423)</b>
<b>Net Change in Fund Balance</b>	<b>(1,091,828)</b>	<b>-</b>	<b>-</b>
Fund Balance-Beginning of Year	2,555,096	-	100,000
Fund Balance-End of Year	<b>\$ 1,463,268</b>	<b>\$ -</b>	<b>\$ 100,000</b>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Statement of Revenues, Expenditures and Changes in  
Fund Balances- Governmental Funds  
For the Year Ended June 30, 2007

	Special Community Projects Fund 581	County Supported Medicaid Fund Fund 021	Tobacco Settlement fund Fund 697
<b>REVENUES</b>			
Federal Grants	\$ -	\$ -	\$ -
Assessments and Fees	-	27,584,785	-
E911 Surcharges	-	-	-
Alcohol Tax Revenue	-	-	-
Civil Legal Filing Fees	-	-	-
Private Grants	-	-	-
Interest Earned	-	295,945	-
Local Governments	-	-	-
Other Revenue	-	-	18,119,853
<b>Total Revenues</b>	<b>-</b>	<b>27,880,730</b>	<b>18,119,853</b>
<b>EXPENDITURES</b>			
Current Operating:			
Policy Development	-	-	-
Program Support	-	-	-
Community Development	-	-	-
Fiscal Management	-	-	-
Grants To Others	-	-	-
Other Fiscal Support - State Entities	-	-	-
Other Fiscal Support - Local Governments	6,901,694	-	-
Other Fiscal Support - Miscellaneous	-	-	-
Capital Outlay	-	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
<b>Total Expenditures</b>	<b>6,901,694</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over Expenditures	<b>(6,901,694)</b>	<b>27,880,730</b>	<b>18,119,853</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
General Fund Appropriation	44,085,000	-	-
Capital Projects Appropriation	-	-	-
STB Appropriation	443,472	-	-
Reversion - Fiscal Year 2007	-	-	-
Transfers In:			
Interfund	-	-	-
Other	-	-	-
Transfers Out:			
Interfund	-	-	-
Other	(21,000)	(27,880,730)	(8,900,000)
<b>Total Other Financing Sources and Uses</b>	<b>44,507,472</b>	<b>(27,880,730)</b>	<b>(8,900,000)</b>
<b>Net Change in Fund Balance</b>	<b>37,605,778</b>	<b>-</b>	<b>9,219,853</b>
<b>Fund Balance-Beginning of Year</b>	<b>39,959,279</b>	<b>-</b>	<b>-</b>
<b>Fund Balance-End of Year</b>	<b>\$ 77,565,057</b>	<b>\$ -</b>	<b>\$ 9,219,853</b>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Statement of Revenues, Expenditures and Changes in  
Fund Balances- Governmental Funds  
For the Year Ended June 30, 2007

	Other Governmental Funds (See statement B-2)	Total Governmental Funds
<b>REVENUES</b>		
Federal Grants	\$ -	\$ 17,196,599
Assessments and Fees	-	39,429,608
E911 Surcharges	11,730,265	11,730,265
Alcohol Tax Revenue	-	15,088,151
Civil Legal Filing Fees	1,564,534	1,564,534
Private Grants	1,200,000	1,200,000
Interest Earned	1,132,258	1,428,255
Local Governments	-	-
Other Revenue	-	18,782,698
<b>Total Revenues</b>	<b>15,627,057</b>	<b>106,420,110</b>
<b>EXPENDITURES</b>		
Current Operating:		
Policy Development	-	3,299,373
Program Support	-	1,511,292
Community Development	1,064,916	3,212,080
Fiscal Management	-	4,778,171
Grants To Others	6,108,823	191,172,382
Other Fiscal Support - State Entities	-	7,458,872
Other Fiscal Support - Local Governments	4,958,892	28,872,332
Other Fiscal Support - Miscellaneous	12,622,403	12,622,403
Capital Outlay	4,478,756	4,478,756
Debt Service		
Principal	745,000	745,000
Interest	33,525	33,525
<b>Total Expenditures</b>	<b>30,012,315</b>	<b>258,184,186</b>
Excess (Deficiency) of Revenues Over Expenditures	(14,385,258)	(151,764,076)
<b>OTHER FINANCING SOURCES (USES)</b>		
General Fund Appropriation	45,221,452	251,828,571
Capital Projects Appropriation	-	-
STB Appropriation	-	23,634,112
Reversion - Fiscal Year 2007	(962,224)	(9,893,935)
Transfers In:		
Interfund	13,507,504	14,119,059
Other	2,000,000	2,000,000
Transfers Out:		
Interfund	(14,119,059)	(14,119,059)
Other	(39,176,045)	(78,190,775)
<b>Total Other Financing Sources and Uses</b>	<b>6,471,628</b>	<b>189,377,973</b>
<b>Net Change in Fund Balance</b>	<b>(7,913,630)</b>	<b>37,613,897</b>
Fund Balance-Beginning of Year	40,613,768	83,636,853
Fund Balance-End of Year	<b>\$ 32,700,138</b>	<b>\$ 121,250,750</b>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Exhibit 6**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended June 30, 2007**

Net Change in Fund Balances (Exhibit 5)	\$ 37,613,897
Capital outlay is reflected as expenditures in the governmental funds, but is capitalized and depreciated over the estimated useful lives in the Statement of Net Assets	4,484,266
Depreciation expense is not recognized in the governmental funds but is recognized in the Statement of Activities	(1,884,557)
Contributed capital assets recognized in the Statement of Activities funds is not recognized in the governmental funds	4,035,628
Principal payments on revenue bonds are treated as expenditures in the governmental funds but are treated as reduction of the liability in the Statement of Net Assets	745,000
Additions in compensated absences are expended from future resources, and therefore not counted as a current expenditure in the governmental funds. The liability is accrued as an expense in the Statement of Activities and recognized as a liability in the Statement of Net Assets.	(584,486)
Deductions in compensated absences are expended from current resources, but are a reduction in liability in the Statement of Net Assets	<u>476,629</u>
Change in Net Assets (Exhibit 2)	<u><u>\$ 44,886,377</u></u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
General Fund  
For the Year Ended June 30, 2007**

General Fund	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General fund	\$ 16,372,900	\$ 16,372,900	\$ 16,372,900	\$ -
Local Governments	-	-	-	-
Other Revenue	-	-	7,683	7,683
Federal Funds	190,000	190,000	165,250	(24,750)
Other Financing Sources	537,300	648,054	611,555	(36,499)
	<u>17,100,200</u>	<u>17,210,954</u>	<u>17,157,388</u>	<u>(53,566)</u>
Fund Balance Budgeted		100,000	-	(100,000)
Total Revenues	<u>\$ 17,100,200</u>	<u>17,310,954</u>	<u>17,157,388</u>	<u>\$ (153,566)</u>
<b>Expenditures:</b>				
Personal Services/Employee Benefits	\$ 10,360,900	\$ 10,291,900	\$ 9,454,705	\$ 837,195
Contractual Services	3,964,700	4,043,866	2,913,935	1,129,931
Other	2,774,600	2,975,188	2,826,527	148,661
Other Financing Uses		-	-	-
Total Expenditures	<u>\$ 17,100,200</u>	<u>17,310,954</u>	<u>15,195,167</u>	<u>\$ 2,115,787</u>
		Reversions	<u>2,079,288</u>	<u>(2,079,288)</u>
		Net change in fund balance	<u>(117,067)</u>	<u>(117,067)</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Community Development Projects - Special Revenue  
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:*</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures:*</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* The Community Development Projects Funds are exempt from budgeting. Expenditures occurring in the funds are appropriated to the Department for pass through to local entities. New appropriations are recognized as current year revenue and expenditure and a liability is recognized. As requests for funds are paid the liability is reduced.

For those projects funded through the sale of Severance Tax Bonds, neither revenue and expenditure nor liability is recognized until the bonds have sold. This does not occur until draws are submitted and approved.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Community Development Block Grant - Special Revenue  
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Received/Expended</u>
	<u>Original</u>	<u>Final</u>	<u>Prior-Year Accumulated</u>
<b>Revenues:</b>			
Interest on Loans	\$ 35,000	\$ 35,000	\$ 13,893
Local Governments	49,168,989	49,168,989	17,824,103
Total Revenues	<u>\$ 49,203,989</u>	<u>\$ 49,203,989</u>	<u>\$ 17,837,996</u>
<b>Expenditures:</b>			
Personal Services and Benefits	\$ 1,144,480	\$ 1,144,480	\$ 426,691
Contractual	49,757	49,757	7,349
Other	47,884,752	47,884,752	17,612,529
Other Financing Uses	125,000	125,000	-
Total Expenditures	<u>\$ 49,203,989</u>	<u>\$ 49,203,989</u>	<u>\$ 18,046,569</u>
	<u>Received/Expended</u>	<u>Accumulated</u>	<u>Variance from</u>
	<u>Current Year</u>	<u>Actuals</u>	<u>final Budget</u>
			<u>Favorable</u>
			<u>(Unfavorable)</u>
<b>Revenues:</b>			
Interest on Loans	\$ 52	\$ 13,945	\$ (21,055)
Local Governments	11,299,243	29,123,346	(20,045,643)
Total Revenues	<u>\$ 11,299,295</u>	<u>\$ 29,137,291</u>	<u>\$ (20,066,698)</u>
<b>Expenditures:</b>			
Personal Services and Benefits	\$ 457,687	\$ 884,378	\$ 260,102
Contractual Services	27,145	34,494	15,263
Other	10,871,274	28,483,803	19,400,949
Other Financing Sources	-	-	125,000
Total Expenditures	<u>\$ 11,356,106</u>	<u>\$ 29,402,675</u>	<u>\$ 19,801,314</u>

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Local DWI Grant Program - Special Revenue  
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Alcoholic Beverages	\$ 14,515,900	\$ 17,815,900	\$ 15,088,151	\$ (2,727,749)
Misc Revenue	141,100	141,100	655,162	514,062
Total Revenues	<u>14,657,000</u>	<u>17,957,000</u>	<u>15,743,313</u>	<u>(2,213,687)</u>
<b>Expenditures:</b>				
Personal Services and Benefits	\$ 491,800	\$ 391,800	\$ 351,622	\$ 40,178
Contractual Services	90,500	130,500	126,137	4,363
Other	12,274,700	15,634,700	14,557,382	1,077,318
Other Financing Uses	1,800,000	1,800,000	1,800,000	-
Total Expenditures	<u>\$ 14,657,000</u>	<u>\$ 17,957,000</u>	<u>\$ 16,835,141</u>	<u>\$ 1,121,859</u>

See accompanying notes to financial statements.



**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Jobs and Growth Tax Relief - Special Revenue  
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fund Balance	<u>\$ 6,445,648</u>	<u>\$ 7,075,649</u>	<u>\$ 5,732,106</u>	<u>\$ (1,343,543)</u>
<b>Expenditures:</b>				
Other	\$ 6,291,148	\$ 6,581,149	\$ 5,319,106	\$ 1,262,043
Other financing uses	154,500	494,500	413,000	81,500
Total Expenditures	<u>\$ 6,445,648</u>	<u>\$ 7,075,649</u>	<u>\$ 5,732,106</u>	<u>\$ 1,343,543</u>

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Law Enforcement Protection - Special Revenue  
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Insurance Tax Assessments	\$ 7,809,400	\$ 7,809,400	\$ 11,844,823	\$ 4,035,423
Total Revenues	<u>\$ 7,809,400</u>	<u>\$ 7,809,400</u>	<u>11,844,823</u>	<u>4,035,423</u>
<b>Expenditures:</b>				
Other	\$ 7,809,400	\$ 7,809,400	4,992,400	2,817,000
Other financing uses	-	-	-	-
Total Expenditures	<u>\$ 7,809,400</u>	<u>\$ 7,809,400</u>	<u>4,992,400</u>	<u>-</u>
		Reversion	<u>6,852,423</u>	<u>(6,852,423)</u>
Change in fund balance			<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Projects Appropriation Fund  
For the Year Ended June 30, 2007**

<b>Special Community Appropriations - Multi year Fund 581 - combined*</b>	<b>Budgeted Amounts</b>		<b>Received/ Expended Prior Year</b>	<b>Received/ Expended Current Year</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
State General fund	\$ 71,498,000	\$ 71,498,000	\$ 27,413,000	\$ 44,085,000
Other financing sources	24,544,951	24,544,951	20,519,951	443,472
Total Revenues	<u>\$ 96,042,951</u>	<u>96,042,951</u>	<u>\$ 47,932,951</u>	<u>\$ 44,528,472</u>
<b>Expenditures:</b>				
Personal Services and Benefits	\$ 60,000	60,000	\$ -	-
Contractual Services	67,287,026	67,634,431	7,432,229	4,948,734
Other	26,262,000	25,503,485	30,332	1,952,960
Other Financing Uses	2,433,925	2,845,035	411,110	21,000
Total Expenditures	<u>\$ 96,042,951</u>	<u>\$ 96,042,951</u>	<u>\$ 7,873,671</u>	<u>\$ 6,922,694</u>
	<b>Accumulated Actuals</b>	<b>Variance from final Budget Favorable (Unfavorable)</b>		
<b>Revenues:</b>				
State General fund	\$ 71,498,000	\$ -		
Other financing sources	20,963,423	(3,581,528)		
Total Revenues	<u>\$ 92,461,423</u>	<u>\$ (3,581,528)</u>		
<b>Expenditures:</b>				
Personal Services and Benefits	\$ -	\$ 60,000		
Contractual Services	12,380,963	55,253,468		
Other	1,983,292	23,520,193		
Other Financing Uses	432,110	2,412,925		
Total expenditures	<u>\$ 14,796,365</u>	<u>\$ 81,246,586</u>		

\*See schedule at D-3.

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
County Supported Medicaid Fund  
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
911 Surcharge Fees	\$ 29,357,500	\$ 29,357,500	\$ 27,584,785	\$ (1,772,715)
Investment Interest	-	-	295,945	295,945
Total Revenues	<u>\$ 29,357,500</u>	<u>\$ 29,357,500</u>	<u>\$ 27,880,730</u>	<u>\$ (1,476,770)</u>
<b>Expenditures:</b>				
Other financing uses	\$ 29,357,500	\$ 29,357,500	\$ 27,880,730	\$ 1,476,770
Total Expenditures	<u>\$ 29,357,500</u>	<u>\$ 29,357,500</u>	<u>\$ 27,880,730</u>	<u>\$ 1,476,770</u>

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Tobacco Settlement Fund  
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Miscellaneous Revenue	<u>\$ 18,085,800</u>	<u>\$ 18,085,800</u>	<u>\$ 18,119,853</u>	<u>\$ 34,053</u>
Total Revenues	<u>\$ 18,085,800</u>	<u>\$ 18,085,800</u>	<u>\$ 18,119,853</u>	<u>\$ 34,053</u>
<b>Expenditures:</b>				
Other Financing Sources	<u>\$ 18,085,800</u>	<u>\$ 18,085,800</u>	<u>\$ 8,900,000</u>	<u>\$ 9,185,800</u>
Total Expenditures	<u>\$ 18,085,800</u>	<u>\$ 18,085,800</u>	<u>\$ 8,900,000</u>	<u>\$ 9,185,800</u>

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

Exhibit 16

**Statement of Fiduciary Assets and Liabilities - Agency Funds  
June 30, 2007**

<u>Assets</u>	<u>Agency Funds</u>
Interest in State Treasurer Investment Pool	\$ 1,475,743,583
Due from Other Funds	160,000
Due from Other State Entities	29,742,905
Due from State General Fund	24,960,844
Due from Local Governments	2,849,696
<b>Total Assets</b>	<b>\$ 1,533,457,028</b>
<u>Liabilities</u>	
Due to Other Entities	\$ 41,259,957
Due to Other Funds	175,315
Due to Other State Entities	1,452,245,061
Due to State General Fund	38,828
Due to Federal Government	12,113
Due to Employees/Third Party	25,956,056
Due to Local Governments	13,192,750
Other Liabilities	576,948
<b>Total Liabilities</b>	<b>\$ 1,533,457,028</b>

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Department is an agency of the State of New Mexico, which is the primary government, pursuant to the Department of Finance and Administration Act, Section 9-6-1 through 9-6-15 NMSA 1978. These financial statements include all funds over which the Department Secretary has authority, except for those funds comprising the State General Fund, which are reported in a separate Annual Financial Report issued by the Office of the State Controller.

The financial statements have been prepared by the Department of Finance and Administration (the Department) in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting standards.

The GASB has issued Statement 34 Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, Statement 37 Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments, and Statement 38 Certain Financial Statement Note Disclosures. These standards establish new financial reporting requirements for state and local governments throughout the United States of America. The statements require new information and restructuring on much of the information the Department has presented in past audited financial statements.

The Department is responsible for the fair presentation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America. The Department has implemented these standards beginning with the fiscal year that ended June 30, 2002. With the implementation of GASB Statement 34, the Department has prepared required supplementary information titled Management’s Discussion and Analysis, which precedes the basic financial statements.

**A. FINANCIAL REPORTING ENTITY**

The Department is an agency of the State of New Mexico, which is the primary government. Pursuant to the Department of Finance and Administration Act, Section 9-6-1 through 9-6-15 NMSA 1978, the purpose of the Department is to make state government more efficient and responsive through consolidating, and eliminating the overlapping of certain state government functions, to establish a single, unified Department to administer laws relating to finance and administration of state government, and to perform other duties as provided by law. The chief executive of the Department is the Secretary, who is appointed by the Governor and is a member of the Governor’s Cabinet. The Department has no component units.

Copies of the State of New Mexico’s Comprehensive Annual Financial Report and the State General Fund’s Annual Financial Report can be requested from the Bureau of Accounting, Department of Finance and Administration, Financial Control Division/State Controller, Bataan Memorial Building Room 320, Santa Fe, NM 87503. .

The following four programs and divisions have been established within the Department:

**Policy Development, Fiscal Analysis and Budget Oversight Program:**

**Office of the Secretary:** The duties of the Office of the Secretary defined in the Department of Finance and Administration Act, Section 9-6-5 and 9-6-5.1 NMSA 1978. Accordingly, the Secretary is empowered to plan and organize the Department and the divisions and may transfer or merge functions between divisions in the interest of efficiency and economy.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Board of Finance:** The Board of Finance (Sections 6-1-1 through 6-1-13 NMSA 1978) determines what needs or emergencies exist that warrant action and, in turn, may lend or grant to any state agency, board, commission, municipal corporation or other political subdivision organized under the laws of the State of New Mexico, the sum of money the Board determines reasonable and appropriate from any funds appropriated to the Board for use in meeting emergencies. The Board may prescribe those terms and conditions it deems proper with respect to the repayment of any loan and the application of the proceeds of the loan. The Board may require or waive security by way of the pledge of revenues or otherwise and may require or waive interest as the Board determines proper under the circumstances.

The Board of Finance is also responsible for issuing state general obligation and revenue bonds and for the investment and distribution of the proceeds from such bonds. In that regard, the Board approves the issuance of such bonds, and provides information for bond prospectuses in order to ensure compliance with financial disclosure requirements and to present information concerning bond issues in a meaningful and informative format.

**State Budget Division:** The State Budget Division (Sections 6-3-1 through 6-3-25 NMSA 1978) assists state agencies and the Governor in the preparation of budget recommendations and estimates. Accordingly, the division requires periodic reports from all state agencies giving detailed information regarding federal monies, obtains information on budgetary and financial problems from each state agency and reviews data submitted by any state agency for the purpose of maximizing the effective use of New Mexico State Government. The division also is responsible for implementing the Accountability in Government Act (Sections 6-3A-1 through 6-3A-8 NMSA 1978).

**Community Development, Local Government Assistance and Fiscal Oversight Program:**

**Local Government Division:** The Local Government Division (Section 6-6-1 through 6-6-19 NMSA 1978) reviews and approves budgets and budget resolutions for municipalities, counties and special districts and assists and trains local government personnel in the areas of accounting, budgeting, automated reporting, purchasing, reconciliation of accounts, payroll and other financial matters; sets and publishes tax rates and prepares tax certificates for counties.

The Division administers the federal Community Development Block Grant (CDBG) program, State capital project appropriations, the State's enhanced E911 grant program, the State's driving while intoxicated program, and the federal school-to-work opportunities grant program.

The Division also administers and supports the Civil Legal Services Commission, New Mexico Association of Regional Councils, Municipal Boundary Commission, Acequia Commission, Community Development Council, DWI Council, and the School-to-Work Advisory Council.

**Fiscal Management and Oversight Program:**

**Financial Control Division:** The Financial Control Division (Sections 6-5-1 through 6-5-11 NMSA 1978) establishes and maintains a central system of state accounts. It devises, formulates, approves and controls the accounting methods and procedures of all state agencies. It also reviews, processes and reports financial transactions of various state entities, which provides reasonable assurance that those transactions are proper in terms of applicable laws and regulations. The Office of the State Controller is part of the Division, and its director serves as the State Controller.



**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Program Support:**

Administrative Services Division: The Administrative Services Division provides central budgeting and accounting services for the Department; develops and prepares the Department's operating budget, budget request and quarterly budget projections; ensures all state personnel policies and procedures are adhered to by all Divisions; prepares and maintains the Department's payroll; administers and maintains automated information systems; administers the Governor's Exempt Salary Plan for executive agencies; and reviews and approves professional service contracts for budget and legal sufficiency on a statewide basis.

**B. BASIC FINANCIAL STATEMENTS –GOVERNMENT-WIDE STATEMENTS**

Government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements report information about the Department as a whole, except for the State General Fund and fiduciary/agency funds. The statements are required to include separate columns for governmental and business-type activities of the primary government, as well as discretely presented component units. The Department has no business-type activities or component units to report.

Governmental-wide financial statements are presented using the economic resource measurement focus in which both current and long-term economic resources and obligations of the Department are reported in the government-wide financial statements. In addition, the statements are presented using the accrual basis of accounting. This basis of accounting measures revenues, expenses, gains, losses, assets and liabilities arising from exchange transactions when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with GASB Statement 33.

The Statement of Net Assets reports all assets, liabilities, and net assets of the Department. Assets and Liabilities held for others in fiduciary funds are not included in the Statement of Net Assets as they are not resources or obligations of the Department. Net assets are restricted when constraints are placed on them from external entities (e.g. federal government) or by constitutional provisions or enabling legislation. Because the Department's activities are legislatively mandated, or serve outside programs and local governments, all of the Department's net assets are restricted.

Amounts paid to acquire capital assets are capitalized as assets in the Statement of Net Assets and are not reflected as an expense. Proceeds of long-term debt are recorded as a liability, not as another financing source. Amounts paid to reduce long-term indebtedness of the Department are reported as a reduction of the related liability, not as an expense.

The Statement of Activities reports the extent to which the direct program expenses, reported by functional area, are offset by program revenues. Program revenues predominantly consist of restricted federal operating grants, and interest charges on loans to local governments for CDBG projects. The Department has no capital grants revenue. Internal activity occurring between governmental funds has been eliminated from the government-wide Statement of Activities.

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

Fund financial statements distinguish between governmental, proprietary and fiduciary funds, and report on each fund group separately. The Department has no proprietary funds to report. Governmental funds are further segregated into general, major and other non-major governmental funds. A major fund reports at least ten

**STATE OF NEW MEXICO  
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**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

percent of total governmental fund assets, liabilities, revenues, or expenditures; the General Fund is always considered to be a major fund. The Department may designate additional major funds as it deems appropriate.

Fund financial statements for the Department's governmental funds (Balance Sheet – Governmental Funds and Statement of Changes in Revenues, Expenditures and Fund Balances) are presented after the Government-wide financial statements. These statements report the major funds individually and the other governmental funds in aggregate.

Fund financial statements are presented using the current financial resources measurement focus. Only current assets and current liabilities are generally included on the governmental funds' balance sheets. The reported fund balance is considered a measure of available resources. In addition, governmental fund financial statements use the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when they become measurable and available to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred except for (1) interest on general long-term obligations, which is recorded when due, and (2) compensated absences which are not considered measurable and available because they are not budgeted in the current year. The following funds are used by the Department.

**Major Funds:**

**General Fund:** The General Fund accounts primarily for State General Fund monies appropriated in Section 4 of the "General Appropriation Act". Unexpended and unencumbered appropriations on hand at fiscal year-end will revert to the State General Fund. The Department's General Fund combines activities for the following programs: Policy Development, Community Development, Financial Management, and Program Support. The Policy Development Program encompasses the activities of the Office of the Secretary, the Board of Finance, and the State Budget Division. Community Development is made up of the numerous programs administered by the Local Government Division. Financial Management is divided between the activities of the State Controller's Office and the Financial Control Division. Program Support accounts for the activities of the Administrative Services Division. Combining Balance Sheets and Combining Statements of Revenue, Expenditures, and Changes in Fund Balance for these programs are included in the Supplementary Information section of this report.

**Community Development Projects:** The Local Government Division administers over 2,700 Legislative appropriations to counties, municipalities, and special districts throughout New Mexico for specific capital projects. Appropriations are made from various sources including the State General Fund, the State Capital Projects Fund and proceeds from sales of general obligation and severance tax bonds. The duration of these appropriations are generally for three to five fiscal years, but can be terminated or re-appropriated by the Legislature. Unexpended and unencumbered appropriations remaining at the end of the appropriation period shall revert in accordance with the terms of the enabling legislation. Combining Balance Sheets and Combining Statements of Revenue, Expenditures, and Changes in Fund Balance can also be found in the Supplementary Information section of this report.

**Community Development Block Grant (CDBG):** Federal financial assistance is awarded to the Local Government Division for the purpose of providing assistance to counties and non-Standard Metropolitan Statistical Area (SMSA) municipalities in community development efforts that provide a suitable living environment, decent housing, essential community facilities and economic opportunities to persons of low and moderate income. In addition, this fund accounts for federal grant and loan assistance to communities with a population less than 50,000 for activities that benefit low and moderate-income families to aid in the elimination or prevention of slums and blight conditions. This is a non-reverting program authorized through the U. S. Housing and Community Development Act of 1974, as amended (Section 11-6-1 through 11-6-9 NMSA 1978). Please refer to the Schedule of Expenditures of Federal Awards in the Supplementary Information section of this report.

**STATE OF NEW MEXICO  
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**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Local DWI Grant Program:** To account for the receipt and distribution of liquor excise tax revenue for grants and other distributions to local governments for Driving While Intoxicated (DWI) programs, services and detoxification/treatment facilities in an effort to prevent or reduce the incidence of DWI, alcoholism and alcohol abuse in accordance with the Local DWI Grant Program Act, Section 11-6A-1 through 11-6A-6 NMSA 1978. Funds are non-reverting

**Jobs & Growth Tax Reconciliation Act:** The Department is responsible for administering a federal pass-through grant awarded by the U. S. Department of Treasury pursuant to Section 401(b) of the Jobs and Growth Tax Reconciliation Grant of 2003. Funds are reverting.

**Law Enforcement Protection Fund:** To provide for the equitable distribution of funds to municipal police and county sheriff departments for use in the maintenance and improvement of those departments in order to enhance the efficiency and effectiveness of law enforcement services. This fund is allowed to hold \$100,000 in fund balance, however, the excess is to be reverted to the State General Fund (NMSA 1978 29-13-3)

**Special Community Projects Fund:** Was created to track the Capital Projects that are not pass-through. These projects are budgeted and administered by the Department. Contracts, Memorandums of Understanding and or Joint Powers Agreements are used to manage the activity. Please refer to schedule E-3 for detail information on the projects that are currently in progress in the fund. Funds are reverting at the end of each project period which is specific to each project. Currently, no funds are subject to reversion.

**County Supported Medicaid Fund:** The purpose of the County-Supported Medicaid Fund is to leverage existing resources to better address the state's health care needs. The county-supported Medicaid fund will be used to accomplish this purpose by using local revenues to support the state Medicaid program and to institute or support primary care health care services pursuant to Section 24-1A-3.1 NMSA 1978. Money appropriated from the county-supported Medicaid fund to institute or support primary care health care services pursuant to Section 24-1A-3.1 NMSA 1978 and are supplemental to general fund appropriations. Funds are non-reverting.

**Tobacco Settlement Fund:** The "tobacco settlement program fund" is created in the state treasury and shall consist of distributions made to the fund from the tobacco settlement permanent fund. Income from investment of the tobacco settlement program fund shall be credited to the fund. Money in the tobacco settlement program fund may be appropriated by the legislature for any of the purposes as specified and after receiving the recommendations of the tobacco settlement revenue oversight committee. Balances in the tobacco settlement program fund at the end of any fiscal year shall remain in the fund (non-reverting)(Section 6-4-9 NMSA 1978).

**Non-Major Governmental Funds:**

All remaining governmental funds administered by the Department not classified as a major fund, are:

Board of Finance Emergency Fund - Reverting

Emergency Water Supply Fund - Reverting

Electronic Voting Machine Fund (Section 1-9-19 NMSA 1978), - Reverting

NM Community Assistance (Section 11-6-1 through 11-6-9 NMSA 1978), - Reverting

Leasehold Community Assistance - Reverting

Special Appropriations Fund- Reverting

Civil Legal Services (Section 34-4-1 NMSA 1978) - Reverting

Wallace Foundation Fund - Reverting

E911 Enhancement Fund – Non-Reverting (Section 63-9D-8)

E911 Reserve Account – Non-Reverting (Section 63-9D-8 NMSA 1978)

E911 Income Account - Non-Reverting (Section 63-9D-8 NMSA 1978)

E911 Principal and Interest Account - Non-Reverting (Section 63-9D-8 NMSA 1978)

Share Project Capital Project - Reverting

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DEPARTMENT OF FINANCE AND ADMINISTRATION**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Fiduciary Funds:**

A Schedule of Changes in Assets and Liabilities for Agency Funds is presented in the Supplementary Information section of this report for all Agency Funds maintained by the Department. These funds represent assets held by the Department in a custodial capacity for other entities and consist entirely of agency funds. Agency Funds are used to account for assets held by the Department in a capacity as trustee, custodian, or agent for other governmental units and nonpublic organizations. Agency fund reporting is also used when the Department has no direct financial involvement or administrative responsibility for pass-through grants and serves as a cash conduit. Agency funds are custodial in nature and do not involve measurement of the results of operations. The reporting focus is on net assets using the accrual method of accounting.

**D. BASIS OF ACCOUNTING**

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

**Accrual Basis.** The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The Department has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchanged transactions are recognized when the exchange takes place. Revenues, Expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with requirements of GASB 33.

**Modified Accrual Basis.** All governmental funds (in the fund financial statements) are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

A reconciliation is presented on the pages following the Fund Balance Sheets and the Statement of Revenues, Expenditures, and Changes in Fund Balance. The reconciliations briefly explain the adjustments necessary to transform the fund based financial statements (modified accrual basis) into the government-wide presentation (full-accrual).

**E. ASSETS, LIABILITIES AND FUND EQUITIES**

**Investments**

Cash consists of investments with the New Mexico State Treasurer's office. A *Supplemental Schedule of Cash Accounts with State Treasurer* is included in the Supplementary Information section of this report.

**Loans Receivable**

Loans to local governments and other entities arise from programs administered by the Board of Finance and the Local Government Division for emergency water supply system construction, voting machines, emergency and disaster purposes, and for community development. Collections are generally received in monthly or annual installments, including interest if applicable. Interest rates range from 0 percent to 5.5 percent, while most of the

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**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

loans are interest free. No allowance for uncollectible accounts has been recognized as all outstanding loans are expected to be collectible.

**Capital Assets**

Capital assets include office furniture, equipment, computer hardware and software which are recorded as expenditures in the fund level Statement of Revenues, Expenditures and Changes in Fund Balances, and are capitalized at cost for assets over \$5,000 in the government-wide Statement of Net Assets. Depreciation for purposes of the government-wide financial statements is calculated using the straight-line method over lives ranging from 3 to 10 years. In-house development software will be depreciated over a period of ten years.

**Compensated Absences**

Vacation, compensatory and sick time is reported as a liability in the government-wide financial statements, with expenses being reported during the period that leave is accrued. The fund financial statements reports expenditures during the period that employees are actually paid, or when compensated absences are liquidated with expendable financial resources from the operational portion of state general fund appropriations. Employees are entitled to accumulate annual leave at a graduated rate based on years of service. A maximum of 240 hours can be carried forward at calendar year end. Employees are entitled to accumulate unlimited sick leave at the rate of one day for each month of service. Employees may elect to be compensated for sick leave in excess of 600 hours at half the employee's hourly rate in any fiscal year, not to exceed 120 hours, unless retiring. Retiring employees may convert up to 400 hours in excess of the 600 hours at half the retiring employee's hourly rate. This election may be made at retirement or at specified times during the employment year. All sick leave balances in excess of 600 but less than 720 hours is payable at 50 percent of the employee's hourly rate. The Department also allows eligible employees to defer being paid overtime in exchange for compensatory time.

**F. INTERFUND ACTIVITY**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market value, are treated as revenues and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between funds are netted upon consolidation.

**G. REVENUES**

Revenues from grants that are restricted for specific uses are recognized when the related expenditures are made. E911 surcharges represent surcharges paid by phone users in New Mexico to fund E911 phone systems, and are recognized as revenue when the underlying exchange transactions occur. Revenue from alcohol beverages tax is also recognized when the underlying exchange transaction occurs. State general fund appropriations, appropriations of severance tax bond proceeds, and interest earnings are susceptible to accrual under the modified accrual basis of accounting, and are deemed both measurable and available if collected within the current year or two months after the end of the fiscal year. Civil court fees are recognized when received by the courts. Department policy is to first apply restricted resources to an expense incurred for purposes for which both restricted and unrestricted revenues are available.

**H. RESTRICTED/UNRESTRICTED NET ASSETS AND RESERVED/UNRESERVED FUND BALANCE**

All revenue sources appropriated to the Department are subject to the restrictions placed on them by outside funding sources, provisions of enabling legislation and applicable statutes, and by the language of legislative awards appropriated to the Department. Currently, the Department has no net assets or fund balances that should be classified as Unreserved or Undesignated. Once the applicable conditions have been satisfied, remaining resources revert to the original funding source.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The following are the procedures followed in establishing the budgetary data presented in the financial statements:

The Office submits a proposed budget to the New Mexico State Legislature for the fiscal year commencing the following July 1. The State Legislature must approve the budget prior to its legal enactment.

The expenditures and encumbrances of each category may not legally exceed the budget for that category. Budgets are controlled at the "category" level within activities (personal services, employee benefits, etc.).

Any adjustment to the budget must be submitted to and approved by the in the form of a budget adjustment request.

The budget is adopted on a modified accrual basis of accounting (General Appropriations Act, Laws of 2006, Chapter 109, Section 3, Subsections O and N) except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline (Section 6-10-4 NMSA 1978) that must be paid out of the next year's budget. A reconciliation of budgetary basis to GAAP basis will be necessary if any accounts payable at the end of the fiscal year are not paid by the statutory deadline. The Department has not included such reconciliation for fiscal year 2007 as all payables were paid by the statutory deadline.

Balances remaining at the end of the fiscal year from appropriations made from the State General Fund shall revert to the appropriate fund, unless otherwise indicated in the appropriations act or otherwise provided by law

Most appropriations made to the Department lapse at year-end and revert to the original funding source. Pursuant to the General Appropriation Act of 2006 (Laws of 2006, Chapter 114, Section 3.M) the budgetary basis was converted to the modified accrual basis of accounting, i.e. GAAP basis, beginning with fiscal year 2006 appropriations.

The budgets are adopted on the modified accrual basis of accounting

**NOTE 3. INTEREST IN THE STATE TREASURER'S INVESTMENT POOL**

State law requires the Department cash be managed by the New Mexico State Treasurer's Office. Accordingly the investments of the Department consist of an interest in the investment pools managed by the New Mexico State Treasurer's Office.

At June 30, 2007 the Department had the following in pooled cash:

New Mexico State Treasurer's Investment Pool	\$1,880,386,634
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*Interest Rate Risk.* The State Investment Pool does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

For additional GASB 40 disclosure information regarding cash held by the State Treasurer, the reader should see the separate audit report for the State Treasurer's Office for the fiscal year ended June 30, 2007.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 4. CAPITAL ASSETS**

<u>Cost</u>	<u>Balance 6/30/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2007</u>
Office equipment	\$ 2,358,834	\$ 5,510	\$ -	\$ 2,364,344
Data processing	-	17,231,462	-	17,231,462
Work in Progress	17,231,462	8,514,384	17,231,462	8,514,384
Total cost	<u>19,590,296</u>	<u>25,751,356</u>	<u>17,231,462</u>	<u>28,110,190</u>
 <u>Accumulated depreciation</u>				
Office equipment	(1,910,948)	(161,411)	-	(2,072,359)
Data processing	-	(1,723,146)	-	(1,723,146)
Total Accum. Depreciation	<u>(1,910,948)</u>	<u>(1,884,557)</u>	<u>-</u>	<u>(3,795,505)</u>
 Capital assets, net of accumulated depreciation				 <u>\$ 24,314,685</u>

Depreciation expense was charged to functions as follows:

Policy development	\$ 28,899
Financial management	1,823,907
Community development	21,975
Program support	9,776
Total depreciation expense	<u>\$ 1,884,557</u>

**NOTE 5. LONG TERM OBLIGATIONS**

The long-term liability activity for the year ended June 30, 2007 was as follows:

	<u>Balance at June 30, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2007</u>	<u>Amount due within one year</u>
Enhanced 911 Revenue Bonds	\$ 745,000	\$ -	\$ 745,000	\$ -0-	\$ -0-
Compensated Absences	<u>507,874</u>	<u>584,486</u>	<u>476,629</u>	<u>615,731</u>	<u>611,756</u>
Total governmental activities long-term liabilities	\$ <u>1,252,874</u>	\$ <u>584,486</u>	\$ <u>1,221,629</u>	\$ <u>615,731</u>	\$ <u>611,756</u>

**Enhanced 911 Revenue Bonds:**

On August 8, 2000, the State Board of Finance adopted a resolution and authorized the issuance of Enhanced 911 Revenue Bonds, Series 2000, in the principal amount of \$4,545,000 dated August 1, 2000. The net proceeds of the bonds are being used to make grants to local governing bodies for payment of equipment purchases, equipment installation, and maintenance necessary to provide enhanced 911 services, to fund a debt service reserve fund, and to pay certain costs of issuance. The bonds carry an interest rate of 6.75 percent to 4.5 percent and are payable primarily from, and secured by, a twenty-five cent 911 surcharge billed monthly by local telephone companies on most local telephone access lines in the state. In fiscal year 2007, the bonds were paid in full.

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DEPARTMENT OF FINANCE AND ADMINISTRATION**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 5. LONG TERM OBLIGATIONS -- continued**

**Compensated absences**

Compensated absences represent the estimated liability for employees accrued vacation and sick leave for which employees are entitled to be paid upon termination. Resources of the Department's General Fund will be utilized to liquidate the compensated absences liability.

**Severance Tax Bonds Proceeds**

While the Department receives severance tax bond proceeds appropriated to the Local Government Division for projects specified by the Legislature, it has no obligation for repayment of the bonds and reports no liabilities for severance tax bonds payable in its financial statements. These bonds are obligations of the State of New Mexico. The liabilities are reported in the State of New Mexico's Comprehensive Annual Financial Report, or CAFR, issued by the State Controller's Office. The CAFR can be obtained by contacting the State Controller at the Bataan Memorial Building, Santa Fe, NM 87501.

**Operating Leases**

The Department has entered into operating lease agreements for certain items of office equipment such as copiers. These agreements are contingent upon the availability of future appropriations and are therefore cancelable upon proper notice being given to the lessors. All leases expire during fiscal year 2007. Total rental payments made during the year ended June 30, 2007 are \$ 313,436

**NOTE 6. INTERFUND ACTIVITY**

Due From Other Funds and Due To Other Funds at June 30, 2007 consisted of the following:

	General Fund	Other Governmental
<b>Due From:</b>		
General Fund	\$ -	\$ 200,513
DWI Local Grant Fund	58,937	-
CDBG Fund	107,538	-
Special Community Projects Fund	123,568	-
Other Governmental Funds	<u>13,861,031</u>	<u>13,950,561</u>
Total	<u>\$ 14,151,074</u>	<u>\$ 14,151,074</u>

All balances are expected to be paid during fiscal year 2008. The following is a description of the activity:

The last bond payment was made in fiscal year 2007. The debt service funds that were used to: (1) hold the required reserve, (2) recognize E-911 surcharge income and (3) make interest and principal payments, are no longer needed. The E-911 Enhancement Fund will be used to record and report the transactions related to the income from the surcharges. The fund balances in the debt service funds are recognized as due to the Enhancement Fund in the amounts of \$553,277, \$13,295,970 and \$8,000 from the E911 Reserve fund, the E911 Income fund and the E911 Principal and Interest fund, consecutively. There is a residual amount due to fund 015 from fund 018 in the amount of \$602 for income transfer.



**STATE OF NEW MEXICO  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 6. INTERFUND ACTIVITY - continued**

The amount due to the General fund from other funds is due to the allocation of payroll liabilities that were paid out of funds which were subsequently adjusted to remove inaccurate liabilities. Overall the Department liabilities were accurately stated however an internal correction was needed to match fund payments with original recognized liabilities. The internal correction had no net effect to any statement as payroll liabilities were adjusted to amounts owed other funds.

Transfers In and Transfer Out for the year ended June 30, 2007, consisted of the following:

	General Fund	Other Governmental
<b>Transfer In:</b>		
General Fund	\$ -	\$ 611,555
Other Governmental Funds	<u>14,119,059</u>	<u>13,507,504</u>
Total	<u>\$ 14,119,059</u>	<u>\$ 14,119,059</u>

Appropriations for compensation increases of \$611,555 were transferred from Special Appropriations to the General Fund to be used for fiscal year 2007 salary increases.

Revenue received from E911 emergency surcharges is deposited in the E911 income account, and subsequently distributed to the E911 Principal & Interest account and the E911 Enhancement Fund. For the year ended June 30, 2007. Additional transferred to the E911 Enhancement Fund were recognized to clear the fund balances of the Debt Service Funds. The Debt Service funds will be closed in fiscal year 2008. The amounts transferred to the Enhancement fund was \$13,507,504.

**NOTE 7. OTHER REVENUE**

Other revenue consists of transfers from the Tobacco Settlement Permanent Fund to the Tobacco Settlement Program fund per 6-4-10 NMSA Section A. The revenue is used to fund health projects in alignment with the legal requirements of the program. The transfers are made from the New Mexico Investment Council.

**NOTE 8. CONTINGENCIES AND OTHER COMMITMENTS**

Federal grant revenues would be refundable in the event of noncompliance with terms of the grant agreements. In the opinion of management, no material refunds will occur. In addition, the Department has approximately \$36,000,000 of future commitments under grant agreements.

The Department has entered into Joint Powers Agreements, or JPA's (Joint Powers Agreements Act, Section 11-1-1 through 11-1-7 NMSA 1978) with numerous state agencies and local governments for the purpose of providing pass-through funds received from federal awards, legislative appropriations, and other state funds to the subrecipient organization. To ensure compliance with the restrictions and conditions imposed by the applicable legislation, statutes, laws, rules, regulations, or grant/cooperative agreement, JPA's are entered into with the recipient to define the allowable purposes and uses for the funds, the time period that funds will be available, as well as reimbursement and reversion requirements. None of these JPA's creates a joint venture or ongoing financial interest in another organization. Transactions made pursuant to a JPA are voluntary non-exchange revenues and expenditures, and are reported by the Department on the modified accrual basis of accounting in the Statement of Revenue, Expenditures, and Changes in Fund Balance. In the Statement of Activities, these transactions are reported on the full accrual basis as either program income or general income (depending on the

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 8. CONTINGENCIES AND OTHER COMMITMENTS - continued**

funding source), and as program expenses. The Supplemental Schedule of Joint Powers Agreements is in the Supplementary Information section of this report.

The Department is subject to various legal proceedings, claims, and liabilities that arise in the ordinary course of the Department's operations. In the opinion of the Department's management and in-house legal counsel, the ultimate resolution of the above matters will not have a material adverse impact on the financial position or results of operations of the Department.

**NOTE 9. PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS**

The Department is exposed to various risks of loss for which the Department carries insurance (Auto; Employee Fidelity Bond; General Liability, Civil Rights, and Foreign Jurisdiction; Money and Securities; Property; and Workers' Compensation) with the State of New Mexico Risk Management Division.

**Pension Plan**

**Plan Description**

Substantially all of the Department's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

**Funding Policy**

Plan members are required to contribute 7.42 percent of their gross salary. The Department is required to contribute 16.59 percent. The contribution requirements of plan members and the Department is established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the Legislature. The Department's contributions to PERA for the years ending June 30, 2007, 2006 and 2005 were \$1,325,872 \$1,223,585, and \$1,143,649, respectively, equal to the amount of the required contributions for each year.

**Retiree Healthcare**

The Retiree Health Care Act (10-7C-1 to 10-7C-16, NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers, eligible employees, and eligible retirees. Eligible employers are institutions of higher education, school districts, or other entities participating in the public school insurance authority and state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act, the Public Employees Retirement Act, Volunteer Firefighters Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act.

**STATE OF NEW MEXICO  
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**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 9. PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS - continued**

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 Retiree Health Care Act on the person's behalf unless that person retires before the employer's NMRHCA 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; or (2) Retirees defined by the act who retired prior to July 1, 1990; and former legislators who served at least two years.

Each participating employer makes contributions to the Fund in the amount of 1.30% of each participating employee's annual salary. Each participating employee contributes to the Fund an employee contribution in an amount equal to .65% of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMHRCA effective date or is a former Legislator. Participants may also enroll in optional plans of coverage.

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participant employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd., N.E., Suite 104, Albuquerque, New Mexico 87107.

For the fiscal year ended June 30, 2007, the Department remitted \$98,812 in employer contributions and \$49,406 in employee contributions.

The Department is required to adopt GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2008. As part of the State of New Mexico, the Department, through the Retiree Healthcare Authority, offers retiree healthcare (*other postemployment benefits*) (OPEB) as part of the total compensation offered. OPEB includes *postemployment healthcare*, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The approach followed in this Statement generally is consistent with the approach adopted in Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, with modifications to reflect differences between pension benefits and OPEB. Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, addresses financial statement and disclosure requirements for reporting by administrators or trustees of OPEB plan assets or by employers or sponsors that include OPEB plan assets as trust or agency funds in their financial reports. The impact to the Department is unknown at this time.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007**

**NOTE 10. SPECIAL APPROPRIATIONS**

Special Appropriations: Special appropriations are made to the Department from the State General Fund for various nonrecurring activities as determined by the Legislature. Unexpended and unencumbered appropriations remaining at the end of the appropriation period revert to the State General Fund. Appropriation periods vary in accordance with the underlying legislation. The unencumbered balance at June 30, 2007 was \$4,912,841. There were no associated encumbrances at year end. The balance of the available Special Appropriations is reflected in the fund balance of the Special Appropriations Fund of \$3,213,588 and as a Due To Other Agencies of \$1,475,146 with the residual to be allotted in fiscal year 2008. Additional details pertaining to each special appropriation can be found in the Supplemental Schedule of Special Appropriations located in the Supplementary Information section of this report, page 107.

**NOTE 11. CONTRIBUTED CAPITAL**

The Statewide Human Resource Accounting and Management Reporting System (SHARE) Project was funded with the appropriation of \$20,000,000 of severance Tax Bonds. Additionally, certain state agencies who wished to participate in the purchase of additional modules and services did so with execution of Memorandums of Understanding (MOU's). The MOU's provided for the transfer of funds to cover costs related to the project and were received from the following agencies:

Department of Transportation	\$ 2,435,283
Human Services Department	576,203
Taxation and Revenue	321,787
General Services Division	512,960
Department of Health	<u>189,395</u>
Totals	\$ <u>4,035,628</u>

**NOTE 12. DUE TO LOCAL GOVERNMENTS**

The amounts reported as due to local governments are those appropriated to the Department for pass-through to local governments. The Department recognizes expenditure and a corresponding liability for each appropriation in the year that the funds become available. For those appropriations funded through the sales of severance tax bonds, the liability is recognized when they are sold.

Unexpended balances are treated as revenue and are reverted to the original funding source. The funding sources for these appropriations are the State General fund, the Capital Projects Fund and Severance Tax Projects Funds relative to specific bond issues.

The Department executes a grant agreement that is aligned with the specific appropriation language to ensure compliance. The amount due to local governments for these grants for the year ended 2007 was \$412,559,085.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Combining Balance Sheets - Community Development Projects  
June 30, 2007**

	<u>Fund 529</u>	<u>Fund 610</u>	<u>Fund 973</u>	<u>Total Community Development Projects</u>
<b>ASSETS</b>				
Interest in State Treasurer Investment Pool	\$ 261,990,689	\$ 1,026,516	\$ 9,925,597	\$ 272,942,802
Receivable - Agency Funds	-	143,041,564	-	143,041,564
Receivable - Other Agencies	745,000	-	-	745,000
Total Assets	<u>\$ 262,735,689</u>	<u>\$ 144,068,080</u>	<u>\$ 9,925,597</u>	<u>\$ 416,729,366</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,650,930	\$ -	\$ -	\$ 2,650,930
Payable - State General Fund	264,112	-	50,161	314,273
Payable - Other State Agencies	1,286,389	58,188	-	1,344,577
Payable - Local Governments	258,534,258	144,009,892	9,875,436	412,419,586
Total Liabilities	<u>262,735,689</u>	<u>144,068,080</u>	<u>9,925,597</u>	<u>416,729,366</u>
<b>FUND BALANCES</b>				
Reserved For:				
Encumbrances	-	-	-	-
Special Revenue Projects	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	<u>\$ 262,735,689</u>	<u>\$ 144,068,080</u>	<u>\$ 9,925,597</u>	<u>\$ 416,729,366</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances - Community Development Projects  
For the Year Ended June 30, 2007

	<u>Fund 529</u>	<u>Fund 610</u>	<u>Fund 973</u>	<u>Total Community Development Projects</u>
<b>REVENUES</b>				
Fees	\$ -	\$ -	\$ -	\$ -
Interest Earned	-	-	-	-
Other Revenue	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current Operating:				
Grants to Others	146,181,617	23,190,640	-	169,372,257
Other Fiscal Support	-	-	-	-
Capital Outlay	-	-	-	-
<b>Total expenditures</b>	<u>146,181,617</u>	<u>23,190,640</u>	<u>-</u>	<u>169,372,257</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(146,181,617)</u>	<u>(23,190,640)</u>	<u>-</u>	<u>(169,372,257)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
General Fund Appropriation	146,149,219	-	-	146,149,219
Capital Projects Appropriation	-	-	-	-
STB Appropriation	-	23,190,640	-	23,190,640
Reversion	-	-	-	-
Transfers In	-	-	-	-
Interfund	-	-	-	-
Other	-	-	-	-
Transfers Out	-	-	-	-
Interfund	-	-	-	-
Other	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>146,149,219</u>	<u>23,190,640</u>	<u>-</u>	<u>169,339,859</u>
<b>Net Change in Fund Balance</b>	<b>(32,398)</b>	<b>-</b>	<b>-</b>	<b>(32,398)</b>
Fund Balance-Beginning of Year	32,398	-	-	32,398
Fund Balance-End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Combining Balance Sheets - Other Governmental Funds by Fund Type  
June 30, 2007**

	<b>Total Special Revenue Funds (see Statement C)</b>	<b>Total Debt Service Funds (see Statement D)</b>	<b>Total Capital Project Fund (see Statement E)</b>	<b>Total Other Funds</b>
<b>ASSETS</b>				
Interest in State Treasurer Investment Pool	\$ 11,875,088	\$ 13,551,229	\$ 2,003,521	\$ 27,429,838
Loans Receivable	4,678,729	-	-	4,678,729
Receivable From Agency Funds	-	-	6,480,423	6,480,423
Receivable From State General Fund	953,740	-	-	953,740
Receivable From Other Funds	13,826,391	602	-	13,826,993
Receivable From Other Agencies	2,396,653	306,018	-	2,702,671
<b>Total Assets</b>	<b>\$ 33,730,601</b>	<b>\$ 13,857,849</b>	<b>\$ 8,483,944</b>	<b>\$ 56,072,394</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 3,287,137	\$ -	\$ 3,009,908	\$ 6,297,045
Accrued Payroll	46,223	-	14,317	60,540
Payable to State General Fund	1,535,133	-	-	1,535,133
Payable to Other Funds	5,813	13,857,849	120,937	13,984,599
Payable To Agency Funds	13,793	-	-	13,793
Payable To Other State Agencies	1,481,146	-	-	1,481,146
<b>Total Liabilities</b>	<b>6,369,245</b>	<b>13,857,849</b>	<b>3,145,162</b>	<b>23,372,256</b>
<b>FUND BALANCES</b>				
Reserved For:				
Loans	8,273,203	-	-	8,273,203
Reserved for Capital Project	-	-	5,338,782	5,338,782
Special Revenue Funds	19,088,153	-	-	19,088,153
Specified Uses	-	-	-	-
<b>Total Fund Balances</b>	<b>27,361,356</b>	<b>-</b>	<b>5,338,782</b>	<b>32,700,138</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 33,730,601</b>	<b>\$ 13,857,849</b>	<b>\$ 8,483,944</b>	<b>\$ 56,072,394</b>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Combining Statement of Revenues, Expenditures and Changes in  
Fund Balances - Other Governmental Funds by Fund Type  
For the Year Ended June 30, 2007**

	<b>Total Special Revenue Funds (see Statement C)</b>	<b>Total Debt Service Funds (see Statement D)</b>	<b>Total Capital Project Fund (See Statement E)</b>	<b>Total Other Funds</b>
<b>REVENUES</b>				
E911 Surcharges	\$ 1,967,721	\$ 9,762,544	\$ -	\$ 11,730,265
Civil Legal Filing Fees	1,564,534	-	-	1,564,534
Private Grants	1,200,000	-	-	1,200,000
Interest Earned	692,794	439,464	-	1,132,258
Total Revenues	<u>5,425,049</u>	<u>10,202,008</u>	<u>-</u>	<u>15,627,057</u>
<b>EXPENDITURES</b>				
Current Operating:				
Community Development	1,064,916	-	-	1,064,916
Grants to Others	6,108,823	-	-	6,108,823
Other Fiscal Support - Local Governments	4,958,892	-	-	4,958,892
Other Fiscal Support - Miscellaneous	12,622,403	-	-	12,622,403
Capital Outlay	-	-	4,478,756	4,478,756
Principal Reduction	-	745,000	-	745,000
Interest Reduction	-	33,525	-	33,525
Total expenditures	<u>24,755,034</u>	<u>778,525</u>	<u>4,478,756</u>	<u>30,012,315</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(19,329,985)</u>	<u>9,423,483</u>	<u>(4,478,756)</u>	<u>(14,385,258)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
General Fund Appropriation	45,221,452	-	-	45,221,452
Reversion	(962,224)	-	-	(962,224)
Transfers In - Interfund	13,507,504	-	-	13,507,504
Transfers In - Other	2,000,000	-	-	2,000,000
Transfers In - Interfund	(611,555)	(13,507,504)	-	(14,119,059)
Transfers Out - Other	(39,176,045)	-	-	(39,176,045)
Total Other Financing Sources and Uses	<u>19,979,132</u>	<u>(13,507,504)</u>	<u>-</u>	<u>6,471,628</u>
Net Change in Fund Balance	649,147	(4,084,021)	(4,478,756)	(7,913,630)
Fund Balance-Beginning of Year	26,712,209	4,084,021	9,817,538	40,613,768
Fund Balance-End of Year	<u>\$ 27,361,356</u>	<u>\$ -</u>	<u>\$ 5,338,782</u>	<u>\$ 32,700,138</u>

See accompanying notes to financial statements.



**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Combined Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Other Nonmajor Funds  
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
State General Fund	\$ 43,592,950	\$ 43,688,000	\$ 43,688,000	\$ -
Civil action	1,495,200	1,678,147	1,564,534	(113,613)
E911 surcharge	11,032,600	11,523,400	11,730,265	206,865
Investment interest	196,000	376,700	1,132,258	755,558
Education	600,000	1,800,000	1,200,000	(600,000)
Bonds proceeds	20,000,000	20,000,000	20,000,000	-
Other financing sources	12,444,900	12,444,900	15,507,504	3,062,604
Total revenues	<u>89,361,650</u>	<u>91,511,147</u>	<u>94,822,561</u>	<u>3,311,414</u>
Fund Balance budgeted	<u>1,762,503</u>	<u>17,949,099</u>	<u>17,910,596</u>	<u>(38,503)</u>
Total revenues and Fund Balance budgeted	<u>\$ 91,124,153</u>	<u>\$ 109,460,246</u>	<u>\$ 112,733,157</u>	<u>\$ 3,272,911</u>
<b>Expenditures:</b>				
Personal services and benefits	\$ 641,123	\$ 968,123	\$ 843,242	\$ 124,881
Contractual services	20,021,808	21,478,308	8,012,072	13,466,236
Other	19,466,072	31,946,572	20,448,457	11,498,115
Other financing uses	50,995,150	55,067,243	53,295,104	1,772,139
Total expenditures	<u>\$ 91,124,153</u>	<u>\$ 109,460,246</u>	<u>\$ 82,598,875</u>	<u>\$ 26,861,371</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Balance Sheets - Nonmajor Special Revenue Funds  
June 30, 2007

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	Board of Finance Emergency Fund Fund 209	Emergency Water Supply Fund 210	Electronic Voting Machine Fund 212	NM Community Assistance Fund 281
<b>ASSETS</b>				
Interest in State Treasurer Investment Pool	\$ 964,006	\$ 102,250	\$ 3,386,031	\$ 208,443
Loans Receivable	1,033,059	205,075	3,417,891	22,704
Receivable - State General Fund	-	-	-	-
Receivable From Other Funds	-	5,200	-	-
Receivable From Other Agencies	120,000	-	-	-
Total Assets	<u>\$ 2,117,065</u>	<u>\$ 312,525</u>	<u>\$ 6,803,922</u>	<u>\$ 231,147</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 425,000	\$ -	\$ -	\$ -
Accrued Payroll	-	-	-	-
Payable to State General Fund	647,056	107,450	-	-
Payable to Other Funds	5,200	-	-	-
Payable To Agency Funds	750	-	-	-
Payable To Other State Agencies	6,000	-	-	-
Total Liabilities	<u>1,084,006</u>	<u>107,450</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Reserved For:				
Loans	1,033,059	205,075	6,803,922	231,147
Special Revenue Funds	-	-	-	-
Specified Uses	-	-	-	-
Total Fund Balances	<u>1,033,059</u>	<u>205,075</u>	<u>6,803,922</u>	<u>231,147</u>
Total Liabilities and Fund Balances	<u>\$ 2,117,065</u>	<u>\$ 312,525</u>	<u>\$ 6,803,922</u>	<u>\$ 231,147</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Balance Sheets - Nonmajor Special Revenue Funds  
June 30, 2007

	Leasehold Community Assistance Fund 618	DFA Special Appropriations Fund 620	Civil Legal Services Fund 624	Wallace Foundation Fund 726
<b>ASSETS</b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 5,065,208	\$ 414,930	\$ 1,140,283
Loans Receivable	-	-	-	-
Receivable - State General Fund	-	953,740	-	-
Receivable From Other Funds	-	-	54,496	-
Receivable From Other Agencies	-	-	145,215	37,188
Total Assets	<u>\$ -</u>	<u>\$ 6,018,948</u>	<u>\$ 614,641</u>	<u>\$ 1,177,471</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 549,587	\$ 347,892	\$ 297,037
Accrued Payroll	-	-	4,675	10,751
Payable to State General Fund	-	780,627	-	-
Payable to Other Funds	-	-	-	613
Payable To Agency Funds	-	-	-	13,043
Payable To Other State Agencies	-	1,475,146	-	-
Total Liabilities	<u>-</u>	<u>2,805,360</u>	<u>352,567</u>	<u>321,444</u>
<b>FUND BALANCES</b>				
Reserved For:				
Loans	-	-	-	-
Special Revenue Funds	-	3,213,588	262,074	856,027
Specified Uses	-	-	-	-
Total Fund Balances	<u>-</u>	<u>3,213,588</u>	<u>262,074</u>	<u>856,027</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 6,018,948</u>	<u>\$ 614,641</u>	<u>\$ 1,177,471</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Combining Balance Sheets - Nonmajor Special Revenue Funds  
June 30, 2007**

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	<u>911 Enhancement Fund 745</u>	<u>Total Other Special Revenue Funds</u>
<b>ASSETS</b>		
Interest in State Treasurer Investment Pool	\$ 593,937	\$ 11,875,088
Loans Receivable	-	4,678,729
Receivable - State General Fund	-	953,740
Receivable From Other Funds	13,766,695	13,826,391
Receivable From Other Agencies	2,094,250	2,396,653
Total Assets	<u>\$ 16,454,882</u>	<u>\$ 33,730,601</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 1,667,621	\$ 3,287,137
Accrued Payroll	30,797	46,223
Payable to State General Fund	-	1,535,133
Payable to Other Funds	-	5,813
Payable To Agency Funds	-	13,793
Payable To Other State Agencies	-	1,481,146
Total Liabilities	<u>1,698,418</u>	<u>6,369,245</u>
<b>FUND BALANCES</b>		
Reserved For:		
Loans	-	8,273,203
Special Revenue Funds	14,756,464	19,088,153
Specified Uses	-	-
Total Fund Balances	<u>14,756,464</u>	<u>27,361,356</u>
Total Liabilities and Fund Balances	<u>\$ 16,454,882</u>	<u>\$ 33,730,601</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Statement C-2  
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of 3

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2007**

	<b>Board of Finance Emergency Fund Fund 209</b>	<b>Emergency Water Supply Fund 210</b>	<b>Electronic Voting Machine Fund 212</b>	<b>Community Assistance Fund 281</b>
<b>REVENUES</b>				
E911 surcharges	\$ -	\$ -	\$ -	\$ -
Civil legal filing fees	-	-	-	-
Private grants	-	-	-	-
Interest earned	-	-	-	-
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current Operating:				
Community Development	-	-	-	-
Grants to Others	-	-	-	-
Other Fiscal Support - Local Governments	-	-	-	-
Other Fiscal Support - Miscellaneous	708,545	-	-	-
Total Expenditures	708,545	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	(708,545)	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
General Fund Appropriation	1,533,452	99,900	-	-
Reversion	(647,056)	(106,600)	-	-
Transfers In - Interfund	-	-	-	-
Transfers In - Other	-	-	-	-
Transfers Out - Interfund	-	-	-	-
Transfers Out - Other	-	-	-	-
Total Other Financing Sources and Uses	886,396	(6,700)	-	-
Net Change in Fund Balance	177,851	(6,700)	-	-
Fund Balance-Beginning of Year	855,208	211,775	6,803,922	231,147
Fund Balance-End of Year	\$ 1,033,059	\$ 205,075	\$ 6,803,922	\$ 231,147

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

Statement C-2  
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of 3

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2007**

	<b>Leasehold Community Assistance Fund 618</b>	<b>DFA Special Appropriations Fund 620</b>	<b>Civil Legal Services Fund 624</b>	<b>Wallace Foundation Fund 726</b>
<b>REVENUES</b>				
E911 surcharges	\$ -	\$ -	\$ -	\$ -
Civil legal filing fees	-	-	1,564,534	-
Private grants	-	-	-	1,200,000
Interest earned	-	-	11,330	71,615
Total revenues	<u>-</u>	<u>-</u>	<u>1,575,864</u>	<u>1,271,615</u>
<b>EXPENDITURES</b>				
Current Operating:				
Community Development	-	-	-	1,064,916
Grants to Others	-	-	-	-
Other Fiscal Support - Local Governments	-	3,004,544	1,954,348	-
Other Fiscal Support - Miscellaneous	123,800	-	-	-
Total Expenditures	<u>123,800</u>	<u>3,004,544</u>	<u>1,954,348</u>	<u>1,064,916</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(123,800)</u>	<u>(3,004,544)</u>	<u>(378,484)</u>	<u>206,699</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
General Fund Appropriation	123,800	43,264,300	200,000	-
Reversion	-	(208,568)	-	-
Transfers In - Interfund	-	-	-	-
Transfers In - Other	-	2,000,000	-	-
Transfers Out - Interfund	-	(611,555)	-	-
Transfers Out - Other	-	(39,176,045)	-	-
Total Other Financing Sources and Uses	<u>123,800</u>	<u>5,268,132</u>	<u>200,000</u>	<u>-</u>
Net Change in Fund Balance	-	2,263,588	(178,484)	206,699
Fund Balance-Beginning of Year	-	950,000	440,558	649,328
Fund Balance-End of Year	<u>\$ -</u>	<u>\$ 3,213,588</u>	<u>\$ 262,074</u>	<u>\$ 856,027</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Statement C-2  
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**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2007**

	<b>911 Enhancement Fund 745</b>	<b>Total Other Special Revenue Funds</b>
<b>REVENUES</b>		
E911 surcharges	\$ 1,967,721	\$ 1,967,721
Civil legal filing fees	-	1,564,534
Private grants	-	1,200,000
Interest earned	609,849	692,794
Total revenues	2,577,570	5,425,049
<b>EXPENDITURES</b>		
Current Operating:		
Community Development	-	1,064,916
Grants to Others	6,108,823	6,108,823
Other Fiscal Support - Local Governments	-	4,958,892
Other Fiscal Support - Miscellaneous	11,790,058	12,622,403
Total Expenditures	17,898,881	24,755,034
Excess (Deficiency) of Revenues Over Expenditures	(15,321,311)	(19,329,985)
<b>OTHER FINANCING SOURCES (USES)</b>		
General Fund Appropriation	-	45,221,452
Reversion	-	(962,224)
Transfers In - Interfund	13,507,504	13,507,504
Transfers In - Other	-	2,000,000
Transfers Out - Interfund	-	(611,555)
Transfers Out - Other	-	(39,176,045)
Total Other Financing Sources and Uses	13,507,504	19,979,132
Net Change in Fund Balance	(1,813,807)	649,147
Fund Balance-Beginning of Year	16,570,271	26,712,209
Fund Balance-End of Year	\$ 14,756,464	\$ 27,361,356

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combined Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Combined Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2007

Total - Non-Major Special Revenue Funds

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$43,592,950	\$ 43,688,000	\$ 43,688,000	\$ -
Civil action	1,495,200	1,678,147	1,564,534	(113,613)
E911 surcharge	-	-	1,967,721	1,967,721
Investment interest	21,400	21,400	692,794	671,394
Education	600,000	1,800,000	1,200,000	(600,000)
Other financing sources	12,444,900	12,444,900	15,507,504	3,062,604
Total revenues	<u>58,154,450</u>	<u>59,632,447</u>	<u>64,620,553</u>	<u>4,988,106</u>
Fund Balance budgeted	<u>988,503</u>	<u>13,869,556</u>	<u>13,831,053</u>	<u>(38,503)</u>
Total revenues and Fund Balance	<u>\$59,142,953</u>	<u>\$ 73,502,003</u>	<u>\$ 78,451,606</u>	<u>\$ 4,949,603</u>
<b>Expenditures:</b>				
Personal services and benefits	\$ 510,613	\$ 737,613	\$ 581,428	\$ 156,185
Contractual services	4,038,458	5,288,958	4,261,321	1,027,637
Other	14,801,332	27,587,832	19,203,740	8,384,092
Other financing uses	39,792,550	39,887,600	39,787,600	100,000
Total expenditures	<u>\$59,142,953</u>	<u>\$ 73,502,003</u>	<u>\$ 63,834,089</u>	<u>\$ 9,667,914</u>

See accompanying notes to financial statements.



**Combined Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Other Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2007**

Board of Finance Emergency Water Supply Fund Fund 210	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 99,900	\$ 99,900	\$ 99,900	\$ -
Total revenues	\$ 99,900	\$ 99,900	\$ 99,900	\$ -
<b>Expenditures:</b>				
Other	\$ 99,900	\$ 99,900	\$ -	\$ 99,900
Total expenditures	\$ 99,900	\$ 99,900	\$ -	\$ 99,900
Leasehold Community Assistance Fund 618	Budgeted Amounts		Amounts (Budgetary Basis)	final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 123,800	\$ 123,800	\$ 123,800	\$ -
Total revenues	\$ 123,800	\$ 123,800	\$ 123,800	\$ -
<b>Expenditures:</b>				
Other	\$ 123,800	\$ 123,800	\$ 123,800	\$ -
Total expenditures	\$ 123,800	\$ 123,800	\$ 123,800	\$ -
DFA Special Appropriation Fund - Combined* Fund 620	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$43,169,250	\$ 43,264,300	\$ 43,264,300	\$ -
Other financing sources	2,000,000	2,000,000	2,000,000	-
Total revenues	45,169,250	45,264,300	45,264,300	-
Fund Balance budgeted	950,000	950,000	950,000	-
Total revenues and Fund Balance budgeted	\$46,119,250	\$ 46,214,300	\$ 46,214,300	\$ -
<b>Expenditures:</b>				
Contractual services	\$ 1,774,200	\$ 1,774,200	\$ 1,505,562	\$ 268,638
Other	4,552,500	4,552,500	1,498,982	3,053,518
Other financing uses	39,792,550	39,887,600	39,787,600	100,000
Total expenditures	\$46,119,250	\$ 46,214,300	\$ 42,792,144	\$ 3,422,156

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

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Combined Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Civil Legal Services Fund 624</b>				
<b>Revenues:</b>				
State General Fund	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Civil action	1,495,200	1,678,147	1,564,534	(113,613)
Investment interest	10,000	10,000	11,330	1,330
Total revenues	<u>1,705,200</u>	<u>1,888,147</u>	<u>1,775,864</u>	<u>(112,283)</u>
Fund Balance budgeted	-	181,053	181,053	-
Total revenues and Fund Balance budgeted	<u>\$ 1,705,200</u>	<u>\$ 2,069,200</u>	<u>\$ 1,956,917</u>	<u>\$ (112,283)</u>
<b>Expenditures:</b>				
Personal services and benefits	\$ 71,100	\$ 62,100	\$ 54,750	\$ 7,350
Contractual services	1,601,900	2,001,900	1,898,272	103,628
Other	32,200	5,200	1,326	3,874
Total expenditures	<u>\$ 1,705,200</u>	<u>\$ 2,069,200</u>	<u>\$ 1,954,348</u>	<u>\$ 114,852</u>
<b>Wallace Foundation Grant Fund 726</b>				
<b>Revenues:</b>				
Education	\$ 600,000	\$ 1,800,000	\$ 1,200,000	\$ (600,000)
Interest	11,400	11,400	71,615	60,215
Fund Balance budgeted	38,503	38,503	-	(38,503)
Total revenues and Fund Balance budgeted	<u>\$ 649,903</u>	<u>\$ 1,849,903</u>	<u>\$ 1,271,615</u>	<u>\$ (578,288)</u>
Personal services and benefits	\$ 15,013	\$ 251,013	\$ 138,450	\$ 112,563
Contractual services	566,858	1,502,858	847,487	655,371
Other	68,032	96,032	78,979	17,053
Total expenditures	<u>\$ 649,903</u>	<u>\$ 1,849,903</u>	<u>\$ 1,064,916</u>	<u>\$ 784,987</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combined Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2007

Page 4 of 4

E-911 Enhancement Fund Fund 745	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Other financing sources	\$ 10,444,900	\$ 10,444,900	\$ 13,507,504	\$ 3,062,604
Investment interest	-	-	609,849	609,849
Surcharge revenue	-	-	1,967,721	1,967,721
Total revenues	<u>10,444,900</u>	<u>10,444,900</u>	<u>16,085,074</u>	<u>5,640,174</u>
Fund Balance budgeted	-	12,700,000	12,700,000	-
Total revenues and Fund Balance budgeted	<u>\$ 10,444,900</u>	<u>\$ 23,144,900</u>	<u>\$ 28,785,074</u>	<u>\$ 5,640,174</u>
<b>Expenditures:</b>				
Personal services and benefits	\$ 424,500	\$ 424,500	\$ 388,228	\$ 36,272
Contractual services	95,500	10,000	10,000	-
Other	9,924,900	22,710,400	17,500,653	5,209,747
Total expenditures	<u>\$ 10,444,900</u>	<u>\$ 23,144,900</u>	<u>\$ 17,898,881</u>	<u>\$ 5,246,019</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Combining Balance Sheets - Nonmajor Debt Service Funds  
June 30, 2007**

	<b>E911 Reserve Account Fund 015</b>	<b>E911 Income fund Fund 018</b>	<b>E911 Principal &amp; Interest Fund 018</b>	<b>Total Debt Service</b>
<b>ASSETS</b>				
Interest in State Treasurer				
Investment Pool	\$ 538,845	\$ 13,003,782	\$ 8,602	\$ 13,551,229
Receivable from Other Funds	602	-	-	602
Receivable from Other State Agencies	13,830	292,188	-	306,018
Total Assets	<u>\$ 553,277</u>	<u>\$ 13,295,970</u>	<u>\$ 8,602</u>	<u>\$ 13,857,849</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 553,277	\$ 13,295,970	\$ 8,602	\$ 13,857,849
Total Liabilities	<u>553,277</u>	<u>13,295,970</u>	<u>8,602</u>	<u>13,857,849</u>
<b>FUND BALANCES</b>				
Reserved For:				
Debt Service	-	-	-	-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	<u>\$ 553,277</u>	<u>\$ 13,295,970</u>	<u>\$ 8,602</u>	<u>\$ 13,857,849</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Nonmajor Debt Service Funds  
June 30, 2007

	E911 Reserve Account Fund 015	E911 Income Fund 017	E911 Principal & Interest Fund 018	Total Debt Service
<b>REVENUES</b>				
Interest Earned	\$ 31,024	\$ 400,440	\$ 8,000	\$ 439,464
E911 Surcharge Income	-	9,762,544	-	9,762,544
Total Revenues	<u>31,024</u>	<u>10,162,984</u>	<u>8,000</u>	<u>10,202,008</u>
<b>EXPENDITURES</b>				
Current Operating:				
Principal Reduction	-	-	745,000	745,000
Interest Reduction	-	-	33,525	33,525
Total expenditures	<u>-</u>	<u>-</u>	<u>778,525</u>	<u>778,525</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>31,024</u>	<u>10,162,984</u>	<u>(770,525)</u>	<u>9,423,483</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In - Interfund	-	-	-	-
Transfers Out - Interfund	(553,277)	(12,946,227)	(8,000)	(13,507,504)
Transfers Out - Other	-	-	-	-
Total Other Financing Sources and Uses	<u>(553,277)</u>	<u>(12,946,227)</u>	<u>(8,000)</u>	<u>(13,507,504)</u>
Net Change in Fund Balance	(522,253)	(2,783,243)	(778,525)	(4,084,021)
Fund Balance-Beginning of Year	522,253	2,783,243	778,525	4,084,021
Fund Balance-End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**Combined Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment interest	\$ 174,600	\$ 355,300	\$ 439,464	\$ 84,164
E911 surcharges	11,032,600	11,523,400	9,762,544	(1,760,856)
Total revenues	<u>11,207,200</u>	<u>11,878,700</u>	<u>10,202,008</u>	<u>(1,676,692)</u>
Fund Balance budgeted	<u>774,000</u>	<u>4,079,543</u>	<u>4,079,543</u>	<u>-</u>
Total revenues and Fund Balance budgeted	<u>\$ 11,981,200</u>	<u>\$ 15,958,243</u>	<u>\$ 14,281,551</u>	<u>\$ (1,676,692)</u>
<b>Expenditures:</b>				
Other	\$ 778,600	\$ 778,600	\$ 778,525	\$ 75
Other financing uses	11,202,600	15,179,643	13,507,504	1,672,139
Total expenditures	<u>\$ 11,981,200</u>	<u>\$ 15,958,243</u>	<u>\$ 14,286,029</u>	<u>\$ 1,672,214</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combined Statement of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Nonmajor Debt Service Funds  
For the Year Ended June 30, 2007

015 - E911 Reserve	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Investment interest	\$ -	\$ 52,700	\$ 31,024	\$ (21,676)
Total revenues	-	52,700	31,024	(21,676)
Fund Balance budgeted	-	522,300	522,300	-
Total revenues and Fund Balance budgeted	\$ -	\$ 575,000	\$ 553,324	\$ (21,676)
<b>Expenditures:</b>				
Other financing uses	\$ -	\$ 575,000	\$ 553,277	\$ 21,723
Total expenditures	\$ -	\$ 575,000	\$ 553,277	\$ 21,723
<b>017 - E911 Income Fund</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
E911 Surcharges	\$ 11,032,600	\$ 11,523,400	\$ 9,762,544	\$ (1,760,856)
Interest	170,000	290,000	400,440	110,440
Total revenues	11,202,600	11,813,400	10,162,984	(1,650,416)
Fund Balance budgeted	-	2,783,243	2,783,243	-
Total revenues and Fund Balance budgeted	\$ 11,202,600	\$ 14,596,643	\$ 12,946,227	\$ (1,650,416)
<b>Expenditures:</b>				
Other financing uses	\$ 11,202,600	\$ 14,596,643	\$ 12,946,227	\$ 1,650,416
Other	-	-	-	-
Total expenditures	\$ 11,202,600	\$ 14,596,643	\$ 12,946,227	\$ 1,650,416
<b>018 - E911 Principal and Interest</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Investment interest	\$ 4,600	\$ 12,600	\$ 8,000	\$ (4,600)
Fund Balance budgeted	774,000	774,000	774,000	-
Total revenues	\$ 778,600	\$ 786,600	\$ 782,000	\$ (4,600)
<b>Expenditures:</b>				
Other financing uses	\$ -	\$ 8,000	\$ 8,000	\$ -
Other	778,600	778,600	778,525	75
Total expenditures	\$ 778,600	\$ 786,600	\$ 786,525	\$ 75

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Combining Balance Sheets - Nonmajor Capital Projects Fund  
June 30, 2007**

	<u>Total Capital Project Fund (Fund 769)</u>
<b>ASSETS</b>	
Interest in State Treasurer Investment Pool	\$ 2,003,521
Receivable From Agency Funds	<u>6,480,423</u>
Total Assets	<u><u>\$ 8,483,944</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 3,009,908
Accrued Payroll	14,317
Payable To Other Funds	<u>120,937</u>
Total Liabilities	<u>3,145,162</u>
<b>FUND BALANCES</b>	
Reserved for Capital Project	<u>5,338,782</u>
Total Fund Balances	<u>5,338,782</u>
Total Liabilities and Fund Balances	<u><u>\$ 8,483,944</u></u>

See accompanying notes to financial statements.



**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Combining Statement of Revenues, Expenditures and Changes in  
Fund Balance - Nonmajor Capital Projects Fund  
June 30, 2007**

	<u><b>Total Capital Project Fund (Fund 769)</b></u>
<b>REVENUES</b>	
Total revenues	<u>\$ -</u>
<b>EXPENDITURES</b>	
Current Operating:	
Capital Outlay	<u>4,478,756</u>
Total expenditures	<u>4,478,756</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,478,756)</u>
Net Change in Fund Balance	(4,478,756)
Fund Balance-Beginning of Year	<u>9,817,538</u>
Fund Balance-End of Year	<u><u>\$ 5,338,782</u></u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Statement of Revenues and Expenditures -  
Budget and Actual  
Non-major Capital Project Fund  
For the Year Ended June 30, 2007**

**Share Project**

	<u>Budgeted Amounts</u>		<u>Received/Expended</u>
	<u>Original</u>	<u>Final</u>	<u>Prior Year</u>
<b>Revenues:</b>			
Bond proceeds	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000
Total revenues	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>
<b>Expenditures:</b>			
Personal services and benefits	\$ 130,510	\$ 424,993	\$ 163,179
Contractual services	15,983,350	15,994,867	9,056,257
Other	3,886,140	3,580,140	963,026
Total expenditures	<u>\$ 20,000,000</u>	<u>\$ 20,000,000</u>	<u>\$ 10,182,462</u>
	<u>Received/Expended</u>	<u>Accumulated</u>	<u>Variance from</u>
	<u>Current Year</u>	<u>Actuals</u>	<u>final Budget</u>
			<u>Favorable</u>
			<u>(Unfavorable)</u>
<b>Revenues:</b>			
Bond proceeds	\$ -	\$ 20,000,000	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 20,000,000</u>	<u>\$ -</u>
<b>Expenditures:</b>			
Personal services and benefits	\$ 261,814	\$ 424,993	\$ -
Contractual services	3,750,751	12,807,008	3,187,859
Other	466,192	1,429,218	2,150,922
Total expenditures	<u>\$ 4,478,757</u>	<u>\$ 14,661,219</u>	<u>\$ 5,338,781</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Schedule A-1

Schedule of Changes in Assets and Liabilities - Agency Funds  
For the Year Ended June 30, 2007

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<b><u>Assets</u></b>				
Interest in State Treasurer				
Investment Pool	\$ 1,118,748,110	\$ 1,536,300,000	\$ 1,179,304,527	\$1,475,743,583
Due from Other Funds	175,316	30,000	45,316	160,000
Due from Other State Entities	50,207,800	29,257,929	49,722,824	29,742,905
Due from State General Fund	19,746,100	23,304,444	18,089,700	24,960,844
Due from Local Governments	2,338,839	2,029,000	1,518,143	2,849,696
<b>Total Assets</b>	<b><u>\$ 1,191,216,165</u></b>	<b><u>\$ 1,590,921,373</u></b>	<b><u>\$ 1,248,680,510</u></b>	<b><u>\$1,533,457,028</u></b>
<b><u>Liabilities</u></b>				
Due to Other Entities	\$ 26,384,323	\$ 758,803,815	\$ 743,928,181	\$ 41,259,957
Due to Other Funds	175,316	175,316	175,316	175,316
Due to Other State Entities	1,112,369,767	790,899,267	451,023,974	1,452,245,060
Due to State General Fund	8,250	30,578	-	38,828
Due to Federal Government	12,113	-	-	12,113
Due to Employees/third party	45,032,950	25,854,212	44,931,106	25,956,056
Due to Local Governments	6,978,787	25,691,665	19,477,702	13,192,750
Other Liabilities	254,659	335,913	13,624	576,948
<b>Total Liabilities</b>	<b><u>\$ 1,191,216,165</u></b>	<b><u>\$ 1,601,790,766</u></b>	<b><u>\$ 1,259,549,903</u></b>	<b><u>\$1,533,457,028</u></b>

See accompanying notes to financial statements

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Schedule A-2  
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of 11

**Combined Schedule of Changes in Assets and Liabilities - Agency Funds  
Fiscal Management  
For the Year Ended June 30, 2007**

	<b>Balance July 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2007</b>
<b>Combined Fiscal Management</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 26,230,523	\$ 772,973,049	\$ 749,854,601	\$ 49,348,971
Due from Other funds	175,316	30,000	45,316	160,000
Due from Other State Entities	49,632,194	29,257,929	49,722,824	29,167,299
Due from State General Fund	19,746,100	23,304,444	18,089,700	24,960,844
Due from Local Governments	1,493,143	2,029,000	1,518,143	2,004,000
<b>Total Assets</b>	<b>\$ 97,277,276</b>	<b>\$ 827,594,422</b>	<b>\$ 819,230,584</b>	<b>\$ 105,641,114</b>
<b><u>Liabilities</u></b>				
Due to Other Entities	\$ 26,384,323	\$ 758,803,815	\$ 743,928,181	\$ 41,259,957
Due to Other Funds	175,316	175,316	175,316	175,316
Due to Other State Entities	25,417,915	53,294,559	41,051,750	37,660,724
Due to State General Fund	-	-	-	-
Due to Federal Government	12,113	-	-	12,113
Due to Employees/Third Party	45,032,950	25,854,212	44,931,106	25,956,056
Other Liabilities	254,659	335,913	13,624	576,948
<b>Total Liabilities</b>	<b>\$ 97,277,276</b>	<b>\$ 838,463,815</b>	<b>\$ 830,099,977</b>	<b>\$ 105,641,114</b>

See accompanying notes to financial statements

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Schedule A-2  
Page 2  
of 11

Schedule of Changes in Assets and Liabilities - Agency Funds  
Fiscal Management  
For the Year Ended June 30, 2007

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<b>Contribution Fund Fund 003</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 469,590	\$ -	\$ -	\$ 469,590
<b>Total Assets</b>	<b><u>\$ 469,590</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 469,590</u></b>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ 469,590	\$ -	\$ -	\$ 469,590
<b>Computer System Enhancement Fund 009</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 18,844,200	\$ 29,500,000	\$ 14,021,922	\$ 34,322,278
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ 18,844,200	\$ 49,148,400	\$ 33,670,322	\$ 34,322,278
<b>County Supported Medicaid Fund 021</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 2,411,881	\$ -	\$ 2,411,881	\$ -
Due From Other State Entities	582,829		582,829	-
<b>Total Assets</b>	<b><u>\$ 2,994,710</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,994,710</u></b>	<b><u>\$ -</u></b>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ 2,994,710	\$ -	\$ 2,994,710	\$ -
<b>Total Liabilities</b>	<b><u>\$ 2,994,710</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,994,710</u></b>	<b><u>\$ -</u></b>

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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
 <b>Carrie Tingley Hospital Fund 045</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 179,932	\$ 910,388	\$ 1,084,831	\$ 5,489
Due from Other Funds	45,316		45,316	-
Due from Other State Entities	500	139,188	91,130	48,558
<b>Total Assets</b>	<b>\$ 225,748</b>	<b>\$ 1,049,576</b>	<b>\$ 1,221,277</b>	<b>\$ 54,047</b>
 <b><u>Liabilities</u></b>				
Due to Other State Entities	\$ 225,748	\$ 643,069	\$ 814,770	\$ 54,047
<b>Total Liabilities</b>	<b>\$ 225,748</b>	<b>\$ 643,069</b>	<b>\$ 814,770</b>	<b>\$ 54,047</b>
 <b>San Juan College Fund 103</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 20,680,643	\$ 20,680,643	\$ -
Due from Local Governments	659,143		659,143	-
<b>Total Assets</b>	<b>\$ 659,143</b>	<b>\$ 20,680,643</b>	<b>\$ 21,339,786</b>	<b>\$ -</b>
 <b><u>Liabilities</u></b>				
Due to Other Entities	\$ 659,143	\$ 20,021,500	\$ 20,680,643	\$ -
 <b>NM Junior College Fund 104</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 7,353,400	\$ 7,353,400	\$ -
Due from Other Funds	100,000	-	-	100,000
<b>Total Assets</b>	<b>\$ 100,000</b>	<b>\$ 7,353,400</b>	<b>\$ 7,353,400</b>	<b>\$ 100,000</b>
 <b><u>Liabilities</u></b>				
Due to Other Entities	\$ 100,000	\$ 7,353,400	\$ 7,353,400	\$ 100,000

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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<b>NM State University Fund 105</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 188,213,300	\$ 188,213,300	\$ -
Due from Other State Entities	160,447	178,044	160,447	178,044
Due from State General Fund	3,940,500	5,929,244	3,940,500	5,929,244
<b>Total Assets</b>	<b><u>\$ 4,100,947</u></b>	<b><u>\$ 194,320,588</u></b>	<b><u>\$ 192,314,247</u></b>	<b><u>\$ 6,107,288</u></b>
<b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 4,100,947</u>	<u>\$ 190,380,087</u>	<u>\$ 188,373,746</u>	<u>\$ 6,107,288</u>
 <b>Eastern NM University Fund 107</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 31,340	\$ 47,516,496	\$ 45,282,836	\$ 2,265,000
Due from Other State Entities	33,101	33,454	33,101	33,454
Due from State General Fund	2,690,000	2,690,000	2,650,000	2,730,000
<b>Total Assets</b>	<b><u>\$ 2,754,441</u></b>	<b><u>\$ 50,239,950</u></b>	<b><u>\$ 47,965,937</u></b>	<b><u>\$ 5,028,454</u></b>
<b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 2,754,441</u>	<u>\$ 49,814,950</u>	<u>\$ 47,540,937</u>	<u>\$ 5,028,454</u>
 <b>Luna Vocational School Fund 108</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 7,493,300	\$ 7,493,300	\$ -
Due from State General Fund	88,000	88,000	88,000	88,000
<b>Total Assets</b>	<b><u>\$ 88,000</u></b>	<b><u>\$ 7,581,300</u></b>	<b><u>\$ 7,581,300</u></b>	<b><u>\$ 88,000</u></b>
<b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 88,000</u>	<u>\$ 7,493,300.00</u>	<u>\$ 7,493,300.00</u>	<u>\$ 88,000</u>

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	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
 <b>Santa Fe Community College</b> <b>Fund 109</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 12,326,700	\$ 12,356,700	\$ (30,000)
Due from Other Funds	\$ 30,000	\$ 30,000		\$ 60,000
<b>Total Assets</b>	<b>\$ 30,000</b>	<b>\$ 12,356,700</b>	<b>\$ 12,356,700</b>	<b>\$ 30,000</b>
 <b><u>Liabilities</u></b>				
Due to Other Entities	\$ 30,000	\$ 12,356,700	\$ 12,356,700	\$ 30,000
 <b>NM Highlands University</b> <b>Fund 222</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 165,258	\$ 32,809,283	\$ 31,052,156	\$ 1,922,385
Due from Other State Entities	9,692	10,252	9,692	10,252
Due from State General Fund	1,060,000	1,160,000	1,060,000	1,160,000
<b>Total Assets</b>	<b>\$ 1,234,950</b>	<b>\$ 33,979,535</b>	<b>\$ 32,121,848</b>	<b>\$ 3,092,637</b>
 <b><u>Liabilities</u></b>				
Due to Other Entities	\$ 1,234,950	\$ 34,841,920	\$ 32,984,233	\$ 3,092,637
 <b>Mesa Technical College</b> <b>Fund 223</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 2,387,800	\$ 2,387,800	\$ -
Due From Other Funds	-			-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 2,387,800</b>	<b>\$ 2,387,800</b>	<b>\$ -</b>
 <b><u>Liabilities</u></b>				
Due to Other Entities	\$ -	\$ 2,387,800	\$ 2,387,800	\$ -

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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<b>NM Institute of Mining and Technology Fund 224</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 38,344,100	\$ 36,997,767	\$ 1,346,333
Due from State General Fund	972,000	972,000	72,000	1,872,000
Due from Other State Entities	76,941	73,082	76,941	73,082
<b>Total Assets</b>	<b><u>\$ 1,048,941</u></b>	<b><u>\$ 39,389,182</u></b>	<b><u>\$ 37,146,708</u></b>	<b><u>\$ 3,291,415</u></b>
<b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 1,048,941</u>	<u>\$ 39,746,849</u>	<u>\$ 37,504,375</u>	<u>\$ 3,291,415</u>
<b>NM Military Institute Fund 226</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 16,822,747	\$ 16,822,747	\$ -
Due from Local Governments	834,000	2,029,000	859,000	2,004,000
Due from Other State Entities	1,239,370	1,268,120	1,239,370	1,268,120
<b>Total Assets</b>	<b><u>\$ 2,073,370</u></b>	<b><u>\$ 20,119,867</u></b>	<b><u>\$ 18,921,117</u></b>	<b><u>\$ 3,272,120</u></b>
<b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 2,073,370</u>	<u>\$ 19,260,867</u>	<u>\$ 18,062,117</u>	<u>\$ 3,272,120</u>
<b>Western NM University Fund 227</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 180,570	\$ 18,188,771	\$ 18,019,341	\$ 350,000
Due from Other State Entities	9,765	10,323	9,765	10,323
Due from State General Fund	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 190,335</u></b>	<b><u>\$ 18,199,094</u></b>	<b><u>\$ 18,029,106</u></b>	<b><u>\$ 360,323</u></b>
<b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 190,335</u>	<u>\$ 18,549,094</u>	<u>\$ 18,379,106</u>	<u>\$ 360,323</u>

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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<b>Northern New Mexico Community College Fund 228</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 14,216,171	\$ 10,611,171	\$ 3,605,000
Due from Other State Entities	7,039	7,634	7,039	7,634
Due from State General Fund	1,440,000	2,440,000	1,440,000	2,440,000
<b>Total Assets</b>	<b><u>\$ 1,447,039</u></b>	<b><u>\$ 16,663,805</u></b>	<b><u>\$ 12,058,210</u></b>	<b><u>\$ 6,052,634</u></b>
<b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 1,447,039</u>	<u>\$ 18,828,805</u>	<u>\$ 14,223,210</u>	<u>\$ 6,052,634</u>
<b>Clovis Community College Fund 230</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 9,979,700	\$ 9,979,700	\$ -
Due from State General Fund	100,000	-	-	100,000
<b>Total Assets</b>	<b><u>\$ 100,000</u></b>	<b><u>\$ 9,979,700</u></b>	<b><u>\$ 9,979,700</u></b>	<b><u>\$ 100,000</u></b>
<b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 100,000</u>	<u>\$ 9,979,700</u>	<u>\$ 9,979,700</u>	<u>\$ 100,000</u>
<b>NM School for the Visually Handicapped Fund 231</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 9,483,250	\$ 9,483,250	\$ -
Due from Other State Entities	735,378	753,499	735,378	753,499
Due from State General Fund	289,000	100,000	289,000	100,000
<b>Total Assets</b>	<b><u>\$ 1,024,378</u></b>	<b><u>\$ 10,336,749</u></b>	<b><u>\$ 10,507,628</u></b>	<b><u>\$ 853,499</u></b>
<b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 1,024,378</u>	<u>\$ 10,047,749</u>	<u>\$ 10,218,628</u>	<u>\$ 853,499</u>

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	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
 <b>NM School for the Deaf</b> <b>Fund 232</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 11,206,332	\$ 11,206,332	\$ -
Due from Other State Entities	737,182	755,708	737,182	755,708
Due from State General Fund	100,000	100,000	-	200,000
<b>Total Assets</b>	<b>\$ 837,182</b>	<b>\$ 12,062,040</b>	<b>\$ 11,943,514</b>	<b>\$ 955,708</b>
 <b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 837,182</u>	<u>\$ 12,062,040</u>	<u>\$ 11,943,514</u>	<u>\$ 955,708</u>
 <b>University of New Mexico</b> <b>Fund 233</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 229,659	\$ 302,904,380	\$ 302,887,521	\$ 246,518
Due from Other State Entities	648,269	617,828	648,269	617,828
Due from State General Fund	9,066,600	9,825,200	8,550,200	10,341,600
<b>Total Assets</b>	<b>\$ 9,944,528</b>	<b>\$ 313,347,408</b>	<b>\$ 312,085,990</b>	<b>\$ 11,205,946</b>
 <b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 9,944,528</u>	<u>\$ 304,797,208</u>	<u>\$ 303,535,790</u>	<u>\$ 11,205,946</u>
 <b>Saline Land Income</b> <b>Fund 234</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 32,533	\$ 32,533	\$ -
Due from Other State Entities	2,487	2,457	2,487	2,457
<b>Total Assets</b>	<b>\$ 2,487</b>	<b>\$ 34,990</b>	<b>\$ 35,020</b>	<b>\$ 2,457</b>
 <b><u>Liabilities</u></b>				
Due to Other Entities	<u>\$ 2,487</u>	<u>\$ 32,502</u>	<u>\$ 32,532</u>	<u>\$ 2,457</u>

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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
 <b>DWI Grants Program Fund 555</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 600,000	\$ -	\$ -	\$ 600,000
<b><u>Liabilities</u></b>				
Due to Other Entities	\$ 600,000	\$ -	\$ -	\$ 600,000
 <b>Judicial Educational Fund Fund 589</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 43,697	\$ 790,934	\$ 773,565	\$ 61,066
Due from Other State Entities	60,527	58,410	60,527	58,410
<b>Total Assets</b>	<b>\$ 104,224</b>	<b>\$ 849,344</b>	<b>\$ 834,092</b>	<b>\$ 119,476</b>
<b><u>Liabilities</u></b>				
Due to Other Entities	\$ 104,224	\$ 849,344	\$ 834,092	\$ 119,476
 <b>Judicial Educational Municipal Fund 590</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 289,096	\$ 257,965	\$ 31,131
Due from Other State Entities	80,357	53,288	80,357	53,288
<b>Total Assets</b>	<b>\$ 80,357</b>	<b>\$ 342,384</b>	<b>\$ 338,322</b>	<b>\$ 84,419</b>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ 80,357	\$ 342,384	\$ 338,322	\$ 84,419

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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
 <b>Central Payroll Bond Account Fund 719</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 35,209	\$ 335,913	\$ 13,624	\$ 357,498
<b><u>Liabilities</u></b>				
Due to Federal Government	\$ 12,113	\$ -	\$ -	\$ 12,113
Other Liabilities	23,096	335,913	13,624	345,385
<b>Total Liabilities</b>	<b>\$ 35,209</b>	<b>\$ 335,913</b>	<b>\$ 13,624</b>	<b>\$ 357,498</b>
 <b>CRS Central Payroll Account Fund 724</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 101,843	\$ 890,196	\$ -	\$ 992,039
Due from Other State Entities	44,931,106	24,964,017	44,931,106	24,964,017
<b>Total Assets</b>	<b>\$45,032,949</b>	<b>\$ 25,854,213</b>	<b>\$ 44,931,106</b>	<b>\$ 25,956,056</b>
<b><u>Liabilities</u></b>				
Due to Employees/3rd party	<b>\$45,032,949</b>	<b>\$ 25,854,213</b>	<b>\$ 44,931,106</b>	<b>\$ 25,956,056</b>
 <b>Capital Projects Fund 747</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 2,705,781	\$ 122,300	\$ 255,000	\$ 2,573,081
<b><u>Liabilities</u></b>				
Due to Other State Entities	<b>\$ 2,705,781</b>	<b>\$ 2,828,080</b>	<b>\$ 2,960,780</b>	<b>\$ 2,573,081</b>

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	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Charitable, Penal and Reformatory Institutions Fund 761</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 175,316	\$ 175,316	\$ -
Due from Other State Entities	317,204	332,626	317,204	332,626
<b>Total Assets</b>	<b>\$ 317,204</b>	<b>\$ 507,942</b>	<b>\$ 492,520</b>	<b>\$ 332,626</b>
<b><u>Liabilities</u></b>				
Due to Other Funds	\$ 175,316	\$ 175,316	\$ 175,316	\$ 175,316
Due to Other State Entities	141,888	332,626	317,204	157,310
	<b>\$ 317,204</b>	<b>\$ 507,942</b>	<b>\$ 492,520</b>	<b>\$ 332,626</b>
 <b>Cancelled Payroll Warrants Fund 834</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 231,563	\$ -	\$ -	\$ 231,563
<b><u>Liabilities</u></b>				
Other Liabilities	\$ 231,563	\$ -	\$ -	\$ 231,563

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Combined Schedule of Changes in Assets and Liabilities - Agency Funds  
Community Development  
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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
 <b>Combined Community Development</b>				
 <b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 6,976,787	\$ 25,691,665	\$ 19,477,702	\$ 13,190,750
Due from Other State Entities	-	-	-	-
<b>Total Assets</b>	<u><u>\$ 6,976,787</u></u>	<u><u>\$ 25,691,665</u></u>	<u><u>\$ 19,477,702</u></u>	<u><u>\$ 13,190,750</u></u>
 <b><u>Liabilities</u></b>				
Due to Local Governments	<u>6,976,787</u>	<u>25,691,665</u>	<u>19,477,702</u>	<u>13,190,750</u>
<b>Total Liabilities</b>	<u><u>\$ 6,976,787</u></u>	<u><u>\$ 25,691,665</u></u>	<u><u>\$ 19,477,702</u></u>	<u><u>\$ 13,190,750</u></u>

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Schedule of Changes in Assets and Liabilities - Agency Funds  
Community Development  
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	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
<b>Domestic Violence Treatment Program Fund 376</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 679,030	\$ 651,315	-	\$ 1,330,345
<b><u>Liabilities</u></b>				
Due to Local Governments	\$ 679,030	\$ 651,315	-	\$ 1,330,345
<b>Small Communities Assistance Fund 737</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 6,297,757	\$ 16,875,899	\$ 13,696,828	\$ 9,476,828
Due from Other State Entities	-			-
<b>Total Assets</b>	<b>\$ 6,297,757</b>	<b>\$ 16,875,899</b>	<b>\$ 13,696,828</b>	<b>\$ 9,476,828</b>
<b><u>Liabilities</u></b>				
Due to Local Governments	\$ 6,297,757	\$ 16,875,899	\$ 13,696,828	\$ 9,476,828
<b>Federal Taylor Grazing Act Fund 738</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 1,013,721	\$ 1,013,721	\$ -
<b><u>Liabilities</u></b>				
Due to Local Governments	\$ -	\$ 1,013,721	\$ 1,013,721	\$ -

See accompanying notes to financial statements



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Schedule of Changes in Assets and Liabilities - Agency Funds  
Community Development  
For the Year Ended June 30, 2007

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<b>Federal National Forest Proceeds Fund 739</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	<u>\$ -</u>	<u>\$ 7,150,730</u>	<u>\$ 4,767,153</u>	<u>\$ 2,383,577</u>
<b><u>Liabilities</u></b>				
Due to Local governments	<u>\$ -</u>	<u>\$ 7,150,730</u>	<u>\$ 4,767,153</u>	<u>\$ 2,383,577</u>

See accompanying notes to financial statements

**STATE OF NEW MEXICO**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**Combined Schedule of Changes in Assets and Liabilities - Agency Funds**  
**Policy Development**  
**For the Year Ended June 30, 2007**

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	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 1,085,540,800	\$ 737,635,286	\$ 409,972,224	\$ 1,413,203,862
Due from Other State Entities	575,606	-	-	575,606
Due from Local Governments	845,696	-	-	845,696
<b>Total Assets</b>	<b><u>\$ 1,086,962,102</u></b>	<b><u>\$ 737,635,286</u></b>	<b><u>\$ 409,972,224</u></b>	<b><u>\$ 1,414,625,164</u></b>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ 1,086,951,852	\$ 737,604,708	\$ 409,972,224	\$ 1,414,584,336
Due to Local Governments	2,000	-	-	2,000
Due to State General Fund	8,250	30,578	-	38,828
<b>Total Liabilities</b>	<b><u>\$ 1,086,962,102</u></b>	<b><u>\$ 737,635,286</u></b>	<b><u>\$ 409,972,224</u></b>	<b><u>\$ 1,414,625,164</u></b>

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DEPARTMENT OF FINANCE AND ADMINISTRATION

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
For the Year Ended June 30, 2007**

	<b>Balance July 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2007</b>
 <b>Severance Tax Note Series 2005 S-A Fund 001</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>42,678,556</u>	\$ <u>-</u>	\$ <u>12,288,837</u>	\$ <u>30,389,719</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>42,678,556</u>	\$ <u>-</u>	\$ <u>12,288,837</u>	\$ <u>30,389,719</u>
 <b>Supplemental Severance Tax Bonds Series 2003 B Fund 002</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>249,222</u>	\$ <u>-</u>	\$ <u>140,365</u>	\$ <u>108,857</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>249,222</u>	\$ <u>-</u>	\$ <u>140,365</u>	\$ <u>108,857</u>
 <b>General Obligation Bonds Series 2003 Fund 019</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>221,444,527</u>	\$ <u>-</u>	\$ <u>31,182,004</u>	\$ <u>190,262,523</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>221,444,527</u>	\$ <u>-</u>	\$ <u>31,182,004</u>	\$ <u>190,262,523</u>

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DEPARTMENT OF FINANCE AND ADMINISTRATION

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
For the Year Ended June 30, 2007**

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<b>General Obligation Bonds Series 2006A Fund 022</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>17,348,116</u>	\$ <u>-</u>	\$ <u>10,433,172</u>	\$ <u>6,914,944</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>17,348,116</u>	\$ <u>-</u>	\$ <u>10,433,172</u>	\$ <u>6,914,944</u>
 <b>General Obligation Bonds Series 2007 Fund 027</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>-</u>	\$ <u>142,799,983</u>	\$ <u>198,000</u>	\$ <u>142,601,983</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>-</u>	\$ <u>142,799,983</u>	\$ <u>198,000</u>	\$ <u>142,601,983</u>
 <b>General Obligation Bonds Series 1997 Fund 033</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>107,855</u>	\$ <u>-</u>	\$ <u>3,232</u>	\$ <u>104,623</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>107,855</u>	\$ <u>-</u>	\$ <u>3,232</u>	\$ <u>104,623</u>

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DEPARTMENT OF FINANCE AND ADMINISTRATION**

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
 <b>Severance Tax Bonds</b>				
<b>Series 1999 A</b>				
<b>Fund 040</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>1,165,533</u>	\$ <u>-</u>	\$ <u>508,553</u>	\$ <u>656,980</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>1,165,533</u>	\$ <u>-</u>	\$ <u>508,553</u>	\$ <u>656,980</u>
 <b>Supplemental Severance Tax Bonds</b>				
<b>Series 2002 A</b>				
<b>Fund 041</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>2,100</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,100</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>2,100</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,100</u>
 <b>General Obligation Bonds</b>				
<b>series 2005</b>				
<b>Fund 054</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>96,946,642</u>	\$ <u>-</u>	\$ <u>49,690,146</u>	\$ <u>47,256,496</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>96,946,642</u>	\$ <u>-</u>	\$ <u>49,690,146</u>	\$ <u>47,256,496</u>

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
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	<b>Balance July 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2007</b>
<b>Supplemental Severance Tax Bonds</b>				
<b>Series 2001 S-C</b>				
<b>Fund 055</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>123,526</u>	\$ <u>-</u>	\$ <u>2,291</u>	\$ <u>121,235</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>123,526</u>	\$ <u>-</u>	\$ <u>2,291</u>	\$ <u>121,235</u>
<b>Severance Tax Bonds</b>				
<b>Series 1999 B</b>				
<b>Fund 062</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>1,801,408</u>	\$ <u>-</u>	\$ <u>102,374</u>	\$ <u>1,699,034</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>1,801,408</u>	\$ <u>-</u>	\$ <u>102,374</u>	\$ <u>1,699,034</u>
<b>Severance Tax Bonds</b>				
<b>Series 2005A</b>				
<b>Fund 229</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>67,633,736</u>	\$ <u>-</u>	\$ <u>24,855,485</u>	\$ <u>42,778,251</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>67,633,736</u>	\$ <u>-</u>	\$ <u>24,855,485</u>	\$ <u>42,778,251</u>

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DEPARTMENT OF FINANCE AND ADMINISTRATION

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Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
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	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Severance Tax Bonds Series</b>				
<b>1992 C</b>				
<b>Fund 253</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>
<b>Severance Bonds Proceeds</b>				
<b>Series 2003 S-B</b>				
<b>Fund 268</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>  5,055,337</u>	\$ <u>          -</u>	\$ <u>  237,099</u>	\$ <u>  4,818,238</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>  5,055,337</u>	\$ <u>          -</u>	\$ <u>  237,099</u>	\$ <u>  4,818,238</u>
<b>Supplemental Severance Tax Bonds</b>				
<b>Series 2000 A</b>				
<b>Fund 283</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>      261,950</u>	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>      261,950</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>      261,950</u>	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>      261,950</u>

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DEPARTMENT OF FINANCE AND ADMINISTRATION

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Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
For the Year Ended June 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>General Obligation Bonds</b>				
<b>Series 2004 B</b>				
<b>Fund 293</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>3,292,259</u>	\$ <u>-</u>	\$ <u>2,218,494</u>	\$ <u>1,073,765</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>3,292,259</u>	\$ <u>-</u>	\$ <u>2,218,494</u>	\$ <u>1,073,765</u>
<b>Supplemental Severance Tax Note</b>				
<b>Series 2005-SB</b>				
<b>Fund 299</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>44,600,000</u>	\$ <u>-</u>	\$ <u>3,853,925</u>	\$ <u>40,746,075</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>44,600,000</u>	\$ <u>-</u>	\$ <u>3,853,925</u>	\$ <u>40,746,075</u>
<b>Supplemental Severance Tax Bonds</b>				
<b>Series 2003 S-F</b>				
<b>Fund 301</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>4,898,888</u>	\$ <u>-</u>	\$ <u>3,054,334</u>	\$ <u>1,844,554</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>4,898,888</u>	\$ <u>-</u>	\$ <u>3,054,334</u>	\$ <u>1,844,554</u>

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DEPARTMENT OF FINANCE AND ADMINISTRATION**

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
For the Year Ended June 30, 2007**

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
 <b>Severance Tax Bonds Series 2003 S-E Fund 302</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>1,247,928</u>	\$ <u>-</u>	\$ <u>347,653</u>	\$ <u>900,275</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>1,247,928</u>	\$ <u>-</u>	\$ <u>347,653</u>	\$ <u>900,275</u>
 <b>Severance Tax Notes Series 2005 S-C Fund 312</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>22,502,946</u>	\$ <u>-</u>	\$ <u>3,698,224</u>	\$ <u>18,804,722</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>22,502,946</u>	\$ <u>-</u>	\$ <u>3,698,224</u>	\$ <u>18,804,722</u>
 <b>Severance Tax Notes Series 2005 S-D Fund 313</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>62,000,000</u>	\$ <u>-</u>	\$ <u>22,780,112</u>	\$ <u>39,219,888</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>62,000,000</u>	\$ <u>-</u>	\$ <u>22,780,112</u>	\$ <u>39,219,888</u>

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Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
For the Year Ended June 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
 <b>Severance Tax Bonds</b>				
<b>Series 2003 A</b>				
<b>Fund 403</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>25,319,156</u>	\$ <u>-</u>	\$ <u>8,470,285</u>	\$ <u>16,848,871</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>25,319,156</u>	\$ <u>-</u>	\$ <u>8,470,285</u>	\$ <u>16,848,871</u>
 <b>Severance Tax Bonds</b>				
<b>Series 2004 A</b>				
<b>Fund 407</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>41,423,943</u>	\$ <u>-</u>	\$ <u>17,253,446</u>	\$ <u>24,170,497</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>41,423,943</u>	\$ <u>-</u>	\$ <u>17,253,446</u>	\$ <u>24,170,497</u>
 <b>Severance Tax Bonds</b>				
<b>Series 2002 A</b>				
<b>Fund 563</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>23,770,712</u>	\$ <u>-</u>	\$ <u>8,332,957</u>	\$ <u>15,437,755</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>23,770,712</u>	\$ <u>-</u>	\$ <u>8,332,957</u>	\$ <u>15,437,755</u>

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DEPARTMENT OF FINANCE AND ADMINISTRATION**

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
For the Year Ended June 30, 2007**

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
 <b>Supplemental Severance Tax Bonds</b>				
<b>Series 2000 C</b>				
<b>Fund 574</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>5,858,900</u>	\$ <u>-</u>	\$ <u>1,882,101</u>	\$ <u>3,976,799</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>5,858,900</u>	\$ <u>-</u>	\$ <u>1,882,101</u>	\$ <u>3,976,799</u>
 <b>Severance Tax Bonds</b>				
<b>Series 2000</b>				
<b>Fund 588</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>2,573,704</u>	\$ <u>-</u>	\$ <u>1,036,056</u>	\$ <u>1,537,648</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>2,573,704</u>	\$ <u>-</u>	\$ <u>1,036,056</u>	\$ <u>1,537,648</u>
 <b>Severance Tax Note</b>				
<b>Series 2005SE</b>				
<b>Fund 621</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>16,350,719</u>	\$ <u>-</u>	\$ <u>7,473,901</u>	\$ <u>8,876,818</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>16,350,719</u>	\$ <u>-</u>	\$ <u>7,473,901</u>	\$ <u>8,876,818</u>

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Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
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	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
<b>Supplemental Severance Tax Note</b>				
<b>Series 2005SF</b>				
<b>Fund 626</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>151,387,741</u>	\$ <u>-</u>	\$ <u>9,163,809</u>	\$ <u>142,223,932</u>
<b><u>Liabilities</u></b>				
Due to other State Entities	\$ <u>151,387,741</u>	\$ <u>-</u>	\$ <u>9,163,809</u>	\$ <u>142,223,932</u>
 <b>General Obligation Bonds</b>				
<b>Series 2001</b>				
<b>Fund 627</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>3,834,657</u>	\$ <u>-</u>	\$ <u>2,544,914</u>	\$ <u>1,289,743</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>3,834,657</u>	\$ <u>-</u>	\$ <u>2,544,914</u>	\$ <u>1,289,743</u>
 <b>Supplemental Severance Tax Bonds</b>				
<b>Series 2002 S-C</b>				
<b>Fund 630</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>14,567</u>	\$ <u>602</u>	\$ <u>-</u>	\$ <u>15,169</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>14,567</u>	\$ <u>602</u>	\$ <u>-</u>	\$ <u>15,169</u>

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
For the Year Ended June 30, 2007**

	<b>Balance July 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2007</b>
 <b>Supplemental Severance Tax Notes</b>				
<b>Series 2004 S-C</b>				
<b>Fund 653</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>18,792,200</u>	\$ <u>-</u>	\$ <u>8,400,531</u>	\$ <u>10,391,669</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>18,792,200</u>	\$ <u>-</u>	\$ <u>8,400,531</u>	\$ <u>10,391,669</u>
 <b>Severance Tax Bonds</b>				
<b>Series 2007 A</b>				
<b>Fund 663</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>-</u>	\$ <u>136,371,000</u>	\$ <u>-</u>	\$ <u>136,371,000</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>-</u>	\$ <u>136,371,000</u>	\$ <u>-</u>	\$ <u>136,371,000</u>
 <b>Severance Tax Bonds</b>				
<b>Series 2007 S-A</b>				
<b>Fund 664</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>-</u>	\$ <u>118,856,212</u>	\$ <u>-</u>	\$ <u>118,856,212</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>-</u>	\$ <u>118,856,212</u>	\$ <u>-</u>	\$ <u>118,856,212</u>

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<b>Supplemental Severance Tax Bonds</b>				
<b>Series 2007 S-B</b>				
<b>Fund 665</b>				
<u><b>Assets</b></u>				
Interest in State Treasurer Investment Pool	\$ <u>          -</u>	\$ <u>  65,011,000</u>	\$ <u>          -</u>	\$ <u>  65,011,000</u>
<u><b>Liabilities</b></u>				
Due to Other State Entities	\$ <u>          -</u>	\$ <u>  65,011,000</u>	\$ <u>          -</u>	\$ <u>  65,011,000</u>
 <b>Severance Tax Bonds</b>				
<b>Series 2007 S-C</b>				
<b>Fund 666</b>				
<u><b>Assets</b></u>				
Interest in State Treasurer Investment Pool	\$ <u>          -</u>	\$ <u>  50,000,000</u>	\$ <u>          -</u>	\$ <u>  50,000,000</u>
<u><b>Liabilities</b></u>				
Due to Other State Entities	\$ <u>          -</u>	\$ <u>  50,000,000</u>	\$ <u>          -</u>	\$ <u>  50,000,000</u>
 <b>General Obligation Bonds</b>				
<b>Series 1999</b>				
<b>Fund 708</b>				
<u><b>Assets</b></u>				
Interest in State Treasurer Investment Pool	\$ <u>      313,804</u>	\$ <u>          -</u>	\$ <u>      45,282</u>	\$ <u>      268,522</u>
<u><b>Liabilities</b></u>				
Due to Other State Entities	\$ <u>      313,804</u>	\$ <u>          -</u>	\$ <u>      45,282</u>	\$ <u>      268,522</u>

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<b>Severance Tax Notes Series 2004 S-F Fund 732</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>6,806,959</u>	\$ <u>-</u>	\$ <u>3,161,311</u>	\$ <u>3,645,648</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>6,806,959</u>	\$ <u>-</u>	\$ <u>3,161,311</u>	\$ <u>3,645,648</u>
 <b>Supplemental Severance Tax Bonds Series 2002 B Fund 733</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>556,945</u>	\$ <u>-</u>	\$ <u>104,755</u>	\$ <u>452,190</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>556,945</u>	\$ <u>-</u>	\$ <u>104,755</u>	\$ <u>452,190</u>
 <b>Severance Tax Bonds series 2001 S-A Fund 734</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>424,017</u>	\$ <u>-</u>	\$ <u>50,000</u>	\$ <u>374,017</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>424,017</u>	\$ <u>-</u>	\$ <u>50,000</u>	\$ <u>374,017</u>

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	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Supplemental Severance Tax Notes</b>				
<b>Series 2004 S-D</b>				
<b>Fund 735</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>57,000,000</u>	\$ <u>-</u>	\$ <u>57,000,000</u>	\$ <u>-</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>57,000,000</u>	\$ <u>-</u>	\$ <u>57,000,000</u>	\$ <u>-</u>
<b>Severance Tax Bonds</b>				
<b>Series 2001 S-D</b>				
<b>Fund 740</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<b><u>Liabilities</u></b>				
Due to other State Entities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
<b>Supplemental Severance Tax Bonds</b>				
<b>Series 2003 S-C</b>				
<b>Fund 746</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>3,614,725</u>	\$ <u>-</u>	\$ <u>2,133,021</u>	\$ <u>1,481,704</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>3,614,725</u>	\$ <u>-</u>	\$ <u>2,133,021</u>	\$ <u>1,481,704</u>

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	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Severance Tax Bonds</b>				
<b>Series 1995 A</b>				
<b>Fund 757</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>11,151</u>	\$ <u>-</u>	\$ <u>5,576</u>	\$ <u>5,575</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>11,151</u>	\$ <u>-</u>	\$ <u>5,576</u>	\$ <u>5,575</u>
<b>Severance Tax Bonds</b>				
<b>Series 2000 S-A</b>				
<b>Fund 762</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>233,494</u>	\$ <u>-</u>	\$ <u>14,108</u>	\$ <u>219,386</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>233,494</u>	\$ <u>-</u>	\$ <u>14,108</u>	\$ <u>219,386</u>
<b>Supplemental Severance Tax Bonds</b>				
<b>Series 2003 S-D</b>				
<b>Fund 763</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>444,503</u>	\$ <u>-</u>	\$ <u>444,503</u>	\$ <u>-</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>444,503</u>	\$ <u>-</u>	\$ <u>444,503</u>	\$ <u>-</u>

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
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	<b>Balance July 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2007</b>
 <b>Severance Tax Bonds Series 1993 B Fund 765</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>54,224</u>	\$ <u>-</u>	\$ <u>18,383</u>	\$ <u>35,841</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>54,224</u>	\$ <u>-</u>	\$ <u>18,383</u>	\$ <u>35,841</u>
 <b>Supplemental Severance Tax Note Series 2004 S-G Fund 795</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>51,943,665</u>	\$ <u>-</u>	\$ <u>46,726,055</u>	\$ <u>5,217,610</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>51,943,665</u>	\$ <u>-</u>	\$ <u>46,726,055</u>	\$ <u>5,217,610</u>
 <b>Severance Tax Bonds Series 1994 B Fund 797</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>10,050</u>	\$ <u>-</u>	\$ <u>5,000</u>	\$ <u>5,050</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>10,050</u>	\$ <u>-</u>	\$ <u>5,000</u>	\$ <u>5,050</u>

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
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	<b>Balance July 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2007</b>
<b>County Treasurers Remittance Fund Fund 800</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ 1,275,222	\$ 54,354,911	\$ 53,522,080	\$ 2,108,053
Due from Local Governments	845,696		-	845,696
Due from Other State Entities	575,606		-	575,606
<b>Total Assets</b>	<b>\$ 2,696,524</b>	<b>\$ -</b>	<b>\$ 53,522,080</b>	<b>\$ 3,529,355</b>

<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ 2,696,524	\$ 54,354,911	\$ 53,522,080	\$ 3,529,355

**Severance Tax Notes  
Series 2006 S-C  
Fund 803**

<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 24,423,000	2,494,040	\$ 21,928,960

<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ -	\$ 24,423,000	\$ 2,494,040	\$ 21,928,960

**Supplemental Severance Tax Notes  
Series 2006 S-D  
Fund 809**

<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ -	\$ 145,788,000	6,868,245	\$ 138,919,755

<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ -	\$ 145,788,000	\$ 6,868,245	\$ 138,919,755

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
Policy Development  
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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
 <b>Severance Tax Bonds Series 2004 S-A Fund 815</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>20,474,429</u>	\$ <u>-</u>	<u>3,536,758</u>	\$ <u>16,937,671</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>20,474,429</u>	\$ <u>-</u>	<u>3,536,758</u>	\$ <u>16,937,671</u>
 <b>Severance Tax Bonds Series 1995 B Fund 817</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>66,894</u>	\$ <u>-</u>	<u>33,447</u>	\$ <u>33,447</u>
<b><u>Liabilities</u></b>				
Due to other State Entities	\$ <u>66,894</u>	\$ <u>-</u>	<u>33,447</u>	\$ <u>33,447</u>
 <b>Severance Tax Notes Series 2004 S-B Fund 886</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>10,000,000</u>	\$ <u>-</u>	<u>3,519,577</u>	\$ <u>6,480,423</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>10,000,000</u>	\$ <u>-</u>	<u>3,519,577</u>	\$ <u>6,480,423</u>

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
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	<b>Balance July 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2007</b>
 <b>Severance Tax Bonds Series 2004 S-E Fund 888</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>10,000,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,000,000</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>10,000,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,000,000</u>
 <b>Severance Tax Bonds Series 1996 A Fund 938</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>273,644</u>	\$ <u>-</u>	\$ <u>31,655</u>	\$ <u>241,989</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>273,644</u>	\$ <u>-</u>	\$ <u>31,655</u>	\$ <u>241,989</u>
 <b>Private Activity Bond Suspense Fund 966</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>10,250</u>	\$ <u>30,578</u>	\$ <u>-</u>	\$ <u>40,828</u>
<b><u>Liabilities</u></b>				
Due to Local Governments	\$ 2,000	\$	\$ -	\$ 2,000
Due to State General Fund	<u>8,250</u>	<u>30,578</u>	<u>-</u>	<u>38,828</u>
	<u>\$ 10,250</u>	<u>\$ 30,578</u>	<u>\$ -</u>	<u>\$ 40,828</u>

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**Schedule of Changes in Assets and Liabilities - Agency Funds  
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	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2007</u>
<b>Supplemental Severance Tax Bonds</b>				
<b>Series 2006S-B</b>				
<b>Fund 969</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>38,195,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>38,195,000</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>38,195,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>38,195,000</u>
<b>Severance Tax Bonds</b>				
<b>Series 1998 B</b>				
<b>Fund 996</b>				
<b><u>Assets</u></b>				
Interest in State Treasurer Investment Pool	\$ <u>1,144,996</u>	\$ <u>-</u>	\$ <u>106,128</u>	\$ <u>1,038,868</u>
<b><u>Liabilities</u></b>				
Due to Other State Entities	\$ <u>1,144,996</u>	\$ <u>-</u>	\$ <u>106,128</u>	\$ <u>1,038,868</u>

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**Schedule of Interest in State Treasurer Investment Pool Accounts  
June 30, 2007**

Fund/Fund Description	Fund	Interest in State Treasurer Investment Pool Balance	Reconciling Differences	Financial Statement Balance
<b>General Fund:</b>				
DFA Operating Fund	010	\$ 3,859,165	(281,307)	\$ 3,577,858
GENERAL FUND TOTAL		<u>3,859,165</u>	<u>(281,307)</u>	<u>3,577,858</u>
<b>Debt Service Funds:</b>				
E-911 Reserve Fund	015	538,845	-	538,845
E-911 Income Account	017	13,003,782	-	13,003,782
E-911 Principal & Interest Fund	018	8,602	-	8,602
DEBT SERVICE FUND TOTAL		<u>13,551,229</u>	<u>-</u>	<u>13,551,229</u>
<b>Capital Project Fund:</b>				
S.H.A.R.E. Project	769	2,003,521	-	2,003,521
CAPITAL PROJECT FUND TOTAL		<u>2,003,521</u>	<u>-</u>	<u>2,003,521</u>
<b>Special Revenue Funds:</b>				
County Supported Medicaid Fund	021	1,237,932	-	1,237,932
Community Development Block Grant (deficit)	088	(47,532)	(1,781,617)	(1,829,149)
Emergency Fund	209	1,161,458	(197,452)	964,006
Emergency Water Supply Fund	210	102,250	-	102,250
Electronic Voting Machines Revolving Fund	212	3,386,031	-	3,386,031
NM Community Assistance Fund	281	208,443	-	208,443
Miscellaneous General Fund Projects	529	261,990,689	-	261,990,689
DWI Grant Program	560	3,595,113	64,295	3,659,408
DFA Special Community Appropriation Fund	581	79,571,066	-	79,571,066
Severance Tax Bond Projects	610	1,026,516	-	1,026,516
General Fund Special Appropriation Fund	620	4,915,208	150,000	5,065,208
Civil Legal Services Fund	624	414,930	-	414,930
Jobs & Growth Tax Relief	625	1,755,579	-	1,755,579
Tobacco Settlement Program Fund	697	9,219,853	-	9,219,853
Wallace Foundation SAELP Grant	726	1,149,356	(9,073)	1,140,283
Law Enforcement Protection Fund	736	7,077,864	-	7,077,864
E-911 Enhancement Fund	745	496,870	97,067	593,937
Capital Projects	973	9,925,597	-	9,925,597
SPECIAL REVENUE FUND TOTAL		<u>387,187,223</u>	<u>(1,676,780)</u>	<u>385,510,443</u>
<b>Agency Funds:</b>				
Severance Tax Note, 2005 SA	001	30,389,719	-	30,389,719
Supplemental Severance Tax Bonds, 2003 SB	002	108,857	-	108,857
Contribution Fund	003	469,590	-	469,590
Computer System Enhancement	009	34,322,278	-	34,322,278
Severance Tax Bonds, 2006 SA	019	190,262,523	-	190,262,523
General Obligation Bond Series 2003	022	6,914,944	-	6,914,944
General Obligation Bond Series 2007	027	142,601,983	-	142,601,983
General Obligation Bond Series 1997	033	104,623	-	104,623
Severance Tax Bond 1999 SA	040	656,980	-	656,980

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**Schedule of Interest in State Treasurer Investment Pool Accounts  
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Fund/Fund Description	Fund	Interest in State Treasurer Investment Pool Balance	Reconciling Differences	Financial Statement Balance
Supplemental Severance Tax Bonds 2002 SA	041	2,100	-	2,100
Carrie Tingley Hospital	045	5,489	-	5,489
General Obligation Bonds, Series 2005	054	47,256,496	-	47,256,496
Supplemental Severance Tax Bond 2001 SC	055	121,235	-	121,235
Severance Tax Bond 1999 SB	062	1,699,034	-	1,699,034
Eastern New Mexico University	107	2,265,000	-	2,265,000
Santa Fe Community College (deficit)	109	(30,000)	-	(30,000)
New Mexico Highlands University	222	1,922,385	-	1,922,385
New Mexico Institute Mining & Technology	224	1,346,333	-	1,346,333
Western New Mexico University	227	350,000	-	350,000
Northern New Mexico Community College	228	3,605,000	-	3,605,000
Severance Tax Bonds, 2005 SA	229	42,778,251	-	42,778,251
University of New Mexico	233	246,518	-	246,518
Severance Tax Bond 2003 SB	268	4,818,238	-	4,818,238
Supplemental Severance Tax Bond 2000 SA	283	261,950	-	261,950
General Obligation Bond Series 1998	293	1,073,765	-	1,073,765
Supplemental Severance Tax Note 2005 SB	299	40,746,075	-	40,746,075
Supplemental Severance Tax Bond 2003 SF	301	1,844,554	-	1,844,554
Severance Tax Bonds 2003 SE	302	900,275	-	900,275
Severance Tax Note 2005 SC	312	18,804,722	-	18,804,722
Supplemental Severance Tax Note 2005 SD	313	39,219,888	-	39,219,888
Domestic Violence Offenders Treatment Program	376	1,330,345	-	1,330,345
Severance Tax Bond 2003 SA	403	16,848,871	-	16,848,871
Severance Tax Bond 2004 SA	407	24,170,497	-	24,170,497
DWI Grant Program Fund	555	600,000	-	600,000
Severance Tax Bond 2002 SA	563	15,437,755	-	15,437,755
Supplemental Severance Tax Bond 2000 SC	574	3,976,799	-	3,976,799
Severance Tax Bond Series 2000	588	1,537,648	-	1,537,648
Judicial Education Fund - General	589	61,066	-	61,066
Judicial Education Fund - Municipal Courts	590	31,131	-	31,131
Severance Tax Note 2005 SE	621	8,876,818	-	8,876,818
Supplemental Severance Tax Note 2005 SF	626	142,223,932	-	142,223,932
General Obligation Bond Series 2001	627	1,289,743	-	1,289,743
Supplemental Severance Tax Bond 2002 SC	630	15,169	-	15,169
Supplemental Severance Tax Note 2004 SC	653	10,391,669	-	10,391,669
Severance Tax Bonds 2007 A	663	136,371,000	-	136,371,000
Severance Tax Bond 2007 SA	664	118,856,212	-	118,856,212
Supplemental Severance Tax Bonds 2007 S-B	665	65,011,000	-	65,011,000
Severance Tax Bonds 2007 S-C	666	50,000,000	-	50,000,000
General Obligation Bond Series 1999	708	268,522	-	268,522
Central Payroll Bond Account	719	357,498	-	357,498
HRS Central Payroll	724	992,039	-	992,039
Severance Tax Note 2004 SF	732	3,645,648	-	3,645,648
Supplemental Severance Tax Bond 2002 SB	733	452,190	-	452,190
Severance Tax Bond 2001 SA	734	374,017	-	374,017

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**Schedule of Interest in State Treasurer Investment Pool Accounts  
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Fund/Fund Description	Fund	Interest in State Treasurer Investment Pool Balance	Reconciling Differences	Financial Statement Balance
Supplemental Severance Tax Note 2004 SD	735	-	-	-
Small County Assistance Program	737	9,476,828	-	9,476,828
Federal Grazing Proceeds	739	2,383,577	-	2,383,577
Supplemental Severance Tax Bond 2003 SC	746	1,481,704	-	1,481,704
Capital Projects - Chapter 315	747	2,573,080	-	2,573,080
Severance Tax Bond 1995 A	757	5,575	-	5,575
Severance Tax Bond 2000 SA	762	219,386	-	219,386
Supplemental Severance Tax Bond 2003 SD	763	-	-	-
Severance Tax Bond 1993 SB	765	35,841	-	35,841
Severance Tax Bond 1994 SA	795	5,217,610	-	5,217,610
Severance Tax Bond 1994 SB	797	5,050	-	5,050
County Treasurers Remittance Fund	800	2,108,053	-	2,108,053
Severance Tax Notes 2006 S-C	803	21,928,960	-	21,928,960
Supplemental Severance Tax Notes 2006 S-D	809	138,919,755	-	138,919,755
Severance Tax Note 2004 SA	815	16,937,671	-	16,937,671
Severance Tax Bond 1995 SB	817	33,447	-	33,447
Cancelled Payroll Warrant - Suspense	834	231,564	-	231,564
Severance Tax Note 2004 SB	886	6,480,423	-	6,480,423
Severance Tax Note 2004 SE	888	10,000,000	-	10,000,000
Severance Tax Bond 1996 SA	938	241,989	-	241,989
Private Activity Bond - Suspense Fund	966	40,828	-	40,828
Supplemental Severance Tax Note 2006 SB	969	38,195,000	-	38,195,000
Severance Tax Bond Series 1998-B	996	1,038,868	-	1,038,868
<b>AGENCY FUND TOTAL</b>		<u>1,475,743,583</u>	<u>-</u>	<u>1,475,743,583</u>
		<u>\$ 1,882,344,721</u>	<u>\$ (1,958,087)</u>	<u>\$ 1,880,386,634</u>

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

Schedule C

**Schedule of Special Appropriations  
June 30, 2007**

<u>Department</u>	<u>Appropriation Amount</u>	<u>FY07 Budget</u>	<u>FY07 Expenses</u>	<u>Expenses from Inception to June 30, 2007</u>	<u>Reversion Amount</u>	<u>Balance as of June 30, 2007</u>
Z2160	\$ 1,200,000			953,740		246,260
Z3500	8,150,000	404,950	404,950	7,339,850	-	810,150
Z6300	1,000,000			610,897	-	389,103
Z0600	37,187,600	37,187,600	37,187,600	37,187,600	-	-
Z3700	2,000,000	2,000,000	2,000,000	2,000,000	-	-
Z8190	799,200	799,200	799,200	799,200	-	-
Z5001	24,000	24,000		-	24,000	-
Z8005	400,000	400,000	136,412	136,412	-	263,588
Z8310	50,000	50,000	49,488	49,488	512	-
Z8550	20,000	20,000	20,000	20,000	-	-
Z8555	85,000	85,000	82,795	82,795	2,205	-
Z8570	100,000	100,000	95,000	95,000	5,000	-
Z8017	75,000	75,000	75,000	75,000	-	-
Z8007	150,000	150,000	149,950	149,950	50	-
Z8008	35,000	35,000	35,000	35,000	-	-
Z8009	75,000	75,000		-	75,000	-
Z8018	50,000	50,000	50,000	50,000	-	-
Z8011	20,000	20,000	20,000	20,000	-	-
Z8012	350,000	350,000	278,199	278,199	71,801	-
Z8013	344,000	344,000	344,000	344,000	-	-
Z8019	100,000	100,000	100,000	100,000	-	-
Z8021	30,000	30,000		-	30,000	-
Z8016	19,500	19,500	19,500	19,500	-	-
Z8001	75,000	75,000		-	-	75,000
Z8089	500,000	500,000		-	-	500,000
Z8090	25,000	25,000		-	-	25,000
Z8091	850,000	850,000		-	-	850,000
Z8092	1,200,000	1,200,000		-	-	1,200,000
Z8094	200,000	200,000		-	-	200,000
Z8098	500,000	500,000		-	-	500,000
Z8003	100,000	100,000		-	-	100,000
	<u>\$ 54,514,300</u>	<u>\$ 45,769,250</u>	<u>\$ 41,847,094</u>	<u>\$ 50,346,631</u>	<u>\$ 208,568</u>	<u>\$ 4,912,841</u>

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

**STATE OF NEW MEXICO**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**Combining Schedule of Revenues and Expenditures -**  
**Budget and Actual (Budgetary Basis) -**  
**General Fund by Department**  
**For the Year Ended June 30, 2007**

P541 Policy Development	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General fund	\$ 3,199,900	3,199,900	3,199,900	\$ -
Other Revenue	-	-	-	-
Other Financing Sources	272,900	383,654	347,155	(36,499)
Total Revenues	\$ 3,472,800	\$ 3,583,554	\$ 3,547,055	\$ (36,499)
<b>Expenditures:</b>				
Personal Services/Employee Benefits	\$ 2,905,800	2,901,800	2,741,985	159,815
Contractual Services	329,000	439,754	351,469	88,285
Other	238,000	242,000	205,919	36,081
Total Expenditures	\$ 3,472,800	3,583,554	3,299,373	\$ 284,181
<b>P542 Program Support</b>				
<b>Revenues:</b>				
State General fund	\$ 1,485,000	1,485,000	1,485,000	\$ -
Other Financing Sources	58,500	58,500	58,500	-
Total Revenues	\$ 1,543,500	1,543,500	1,543,500	\$ -
<b>Expenditures:</b>				
Personal Services/Employee Benefits	\$ 1,433,900	1,423,900	1,395,212	\$ 28,688
Contractual Services	55,900	45,912	44,571	1,341
Other	53,700	73,688	71,509	2,179
Total Expenditures	\$ 1,543,500	1,543,500	1,511,292	\$ 32,208

See accompanying notes to financial statements.

**STATE OF NEW MEXICO**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**Combining Schedule of Revenues and Expenditures -**  
**Budget and Actual (Budgetary Basis) -**  
**General Fund by Department**  
**For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>P543 Community Development</b>				
<b>Revenues:</b>				
State General fund	\$ 2,254,400	2,254,400	2,254,400	\$ -
Other Financing Sources	80,200	80,200	80,200	-
Total Revenues	<u>\$ 2,334,600</u>	<u>2,334,600</u>	<u>2,334,600</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Personal Services/Employee Benefits	\$ 2,056,300	1,996,300	1,881,772	\$ 114,528
Contractual Services	146,000	106,000	86,015	19,985
Other	132,300	232,300	179,377	52,923
Other Financing Uses	-	-	-	-
Total Expenditures	<u>\$ 2,334,600</u>	<u>2,334,600</u>	<u>2,147,164</u>	<u>\$ 187,436</u>
<b>P544 Fiscal Management</b>				
<b>Revenues:</b>				
State General fund	\$ 5,146,300	5,246,300	5,246,300	\$ -
Local Governments	-	-	-	-
Other Financing Sources	125,700	125,700	125,700	-
Total Revenues	<u>\$ 5,272,000</u>	<u>5,372,000</u>	<u>5,372,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Personal Services/Employee Benefits	\$ 3,964,900	3,969,900	3,435,736	\$ 534,164
Contractual Services	481,300	496,300	451,084	45,216
Other	825,800	905,800	891,400	14,400
Total Expenditures	<u>\$ 5,272,000</u>	<u>5,372,000</u>	<u>4,778,220</u>	<u>\$ 593,780</u>
<b>2010 Dues and Memberships</b>				
<b>Revenues:</b>				
State General fund	\$ 633,500	633,500	633,500	\$ -
Total Revenues	<u>\$ 633,500</u>	<u>633,500</u>	<u>633,500</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 633,500	633,500	622,631	\$ 10,869
Total Expenditures	<u>\$ 633,500</u>	<u>633,500</u>	<u>622,631</u>	<u>\$ 10,869</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis) -  
General Fund by Department  
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>2020 Citizen Review Board</b>				
<b>Revenues:</b>				
State General fund	\$ 409,600	409,600	409,600	\$ -
Federal Funds	190,000	190,000	165,250	(24,750)
Total Revenues	<u>\$ 599,600</u>	<u>599,600</u>	<u>574,850</u>	<u>\$ (24,750)</u>
<b>Expenditures:</b>				
Contractual Services	\$ 599,600	599,600	599,600	\$ -
Total Expenditures	<u>\$ 599,600</u>	<u>599,600</u>	<u>599,600</u>	<u>\$ -</u>
<b>4030 Fiscal Agent Contract</b>				
<b>Revenues:</b>				
State General fund	\$ 1,048,900	1,048,900	1,048,900	\$ -
Interest in State Treasurer Investment Pool				
Balance Budgeted	-	-	-	-
Total Revenues	<u>\$ 1,048,900</u>	<u>1,048,900</u>	<u>1,048,900</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Contractual Services	\$ 1,048,900	1,048,900	75,424	\$ 973,476
Total Expenditures	<u>\$ 1,048,900</u>	<u>1,048,900</u>	<u>75,424</u>	<u>\$ 973,476</u>
<b>8030 State Planning Districts</b>				
<b>Revenues:</b>				
State General fund	\$ 873,300	873,300	873,300	\$ -
Total Revenues	<u>\$ 873,300</u>	<u>873,300</u>	<u>873,300</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 873,300	873,300	842,111	\$ 31,189
Total Expenditures	<u>\$ 873,300</u>	<u>873,300</u>	<u>842,111</u>	<u>\$ 31,189</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**Combining Schedule of Revenues and Expenditures -**  
**Budget and Actual (Budgetary Basis) -**  
**General Fund by Department**  
**For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance from Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>8040 Mentoring Program</b>				
<b>Revenues:</b>				
State General fund	\$ 892,400	892,400	892,400	\$ -
Total Revenues	<u>\$ 892,400</u>	<u>892,400</u>	<u>892,400</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Contractual Services	\$ 892,400	892,400	892,400	\$ -
Total Expenditures	<u>\$ 893,300</u>	<u>892,400</u>	<u>892,400</u>	<u>\$ -</u>
<b>8050 Acequia and Comm Ditch</b>				
<b>Revenues:</b>				
State General fund	\$ 30,000	30,000	30,000	\$ -
Total Revenues	<u>\$ 30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Contractual Services	\$ 12,000	15,400	13,772	\$ 1,628
Other	18,000	14,600	13,580	1,020
Total Expenditures	<u>\$ 30,000</u>	<u>30,000</u>	<u>27,352</u>	<u>\$ 2,648</u>
<b>8060 Food Banks</b>				
<b>Revenues:</b>				
State General fund	\$ 399,600	399,600	399,600	\$ -
Total Revenues	<u>\$ 399,600</u>	<u>399,600</u>	<u>399,600</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Contractual Services	\$ 399,600	399,600	399,600	\$ -
Total Expenditures	<u>\$ 399,600</u>	<u>399,600</u>	<u>399,600</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**Combining Schedule of Revenues and Expenditures -**  
**Budget and Actual (Budgetary Basis) -**  
**General Fund by Department**  
**For the Year Ended June 30, 2007**

Total General Fund	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General fund	\$ 16,372,900	\$ 16,372,900	\$ 16,372,900	\$ -
Local Governments	-	-	-	-
Other Revenue	-	-	-	-
Federal Funds	190,000	190,000	165,250	(24,750)
Other Financing Sources	537,300	648,054	611,555	(36,499)
	<u>17,100,200</u>	<u>17,210,954</u>	<u>17,149,705</u>	<u>(61,249)</u>
Fund Balance Budgeted		100,000	100,000	-
Total Revenues and Fund Balance budgeted	<u>\$ 17,100,200</u>	<u>17,310,954</u>	<u>17,249,705</u>	<u>\$ (61,249)</u>
<b>Expenditures:</b>				
Personal Services/Employee Benefits	\$ 10,360,900	\$ 10,291,900	\$ 9,454,705	\$ 837,195
Contractual Services	3,964,700	4,043,866	2,913,935	1,129,931
Other	2,774,600	2,975,188	2,826,527	148,661
Other Financing Uses		-	-	-
Total Expenditures	<u>\$ 17,100,200</u>	<u>17,310,954</u>	<u>15,195,167</u>	<u>\$ 2,115,787</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z0600 Compensation Package	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 37,187,600	\$ 37,187,600	\$ 37,187,600	\$ -
Total revenues	<u>\$ 37,187,600</u>	<u>\$ 37,187,600</u>	<u>\$ 37,187,600</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other financing uses	\$ 37,187,600	\$ 37,187,600	\$ 37,187,600	\$ -
Total expenditures	<u>\$ 37,187,600</u>	<u>\$ 37,187,600</u>	<u>\$ 37,187,600</u>	<u>\$ -</u>
<b>Department Z3700 State Gov Backbone</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Other financing sources	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -
Total revenues	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other financing uses	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -
Total expenditures	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z5001 St Treasurer Investment Audit	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 24,000	\$ 24,000	\$ 24,000	\$ -
Total revenues	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 24,000	\$ 24,000	\$ -	\$ 24,000
Total expenditures	<u>\$ 24,000</u>	<u>\$ 24,000</u>	<u>\$ -</u>	<u>\$ 24,000</u>
<b>Department Z8001 DWI Curriculum in Schools</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Fund Balance budgeted	100,000	100,000	100,000	-
Total revenues and Fund	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Contractual Services	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Other	75,000	75,000	-	75,000
Total expenditures	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ 100,000</u>	<u>\$ 75,000</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8003 Int'l Science/Engineering Fair	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Fund Balance budgeted	500,000	500,000	500,000	-
Total revenues	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Other financing sources	100,000	100,000	-	100,000
Total expenditures	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 500,000</u>	<u>\$ 100,000</u>
<b>Department Z8002 Rural Economic Development</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Interest in State Treasurer Investment Pool budgeted	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Total Interest in State Treasurer Investment Pool budgeted	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Contractual Services	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Other financing uses	100,000	100,000	100,000	-
Total expenditures	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8005 Cat and Dog Spay and Neuter	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Total revenues	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
<b>Expenditures:</b>				
Contractual Services	\$ 400,000	\$ 400,000	\$ 136,412	\$ 263,588
Total expenditures	\$ 400,000	\$ 400,000	\$ 136,412	\$ 263,588
<b>Department Z8005 Albuquerque Youth Mentoring</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Total revenues	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
<b>Expenditures:</b>				
Contractual services	\$ 150,000	\$ 150,000	\$ 149,950	\$ 50
Total expenditures	\$ 150,000	\$ 150,000	\$ 149,950	\$ 50

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8008 John Marshall Multi Fac	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 35,000	\$ 35,000	\$ 35,000	\$ -
Total revenues	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 35,000	\$ 35,000	\$ 35,000	\$ -
Total expenditures	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ -</u>
<b>Department Z8009 National Police Shooting Prog</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Total revenues	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Total expenditures	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8011 Domestic Violence Shelter	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Total revenues	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Total expenditures	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>
<b>Department Z8012 San Juan City Alcohol and Drug</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 350,000	\$ 350,000	\$ 350,000	\$ -
Total revenues	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 350,000	\$ 350,000	\$ 278,199	\$ 71,801
Total expenditures	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ 278,199</u>	<u>\$ 71,801</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8012 Sandoval County EMS	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 344,000	\$ 344,000	\$ 344,000	\$ -
Total revenues	<u>\$ 344,000</u>	<u>\$ 344,000</u>	<u>\$ 344,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 344,000	\$ 344,000	\$ 344,000	\$ -
Total expenditures	<u>\$ 344,000</u>	<u>\$ 344,000</u>	<u>\$ 344,000</u>	<u>\$ -</u>
<b>Department Z8016 Taos County Youth Services</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 19,500	\$ 19,500	\$ 19,500	\$ -
Total revenues	<u>\$ 19,500</u>	<u>\$ 19,500</u>	<u>\$ 19,500</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 19,500	\$ 19,500	\$ 19,500	\$ -
Total expenditures	<u>\$ 19,500</u>	<u>\$ 19,500</u>	<u>\$ 19,500</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8017 Centr. NM Youth Mentoring	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Total revenues	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Contractual services	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Total expenditures	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>\$ -</u>
<b>Department Z8018 LE Sponsorship Athletic Programs</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total revenues	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total expenditures	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8018 Santa Fe Airport Crash and Fire Prot	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total revenues	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Total expenditures	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>
<b>Department Z8021 Pojoaque Vol Fire District</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Total revenues	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Contractual Services	\$ -	\$ -	\$ -	\$ -
Other	\$ 30,000	\$ 30,000	\$ -	\$ 30,000
Total expenditures	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 30,000</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8089 Kidney Dialysis Ctr McKinley	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Total revenues	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 500,000	\$ 500,000	\$ -	\$ 500,000
Total expenditures	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 500,000</u>
<b>Department Z8090 First Nations Community Svcs</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Total revenues	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Total expenditures	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
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Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8091 Rag Housing Oversight Agreement	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 850,000	\$ 850,000	\$ 850,000	\$ -
Total revenues	<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 850,000	\$ 850,000	\$ -	\$ 850,000
Total expenditures	<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ -</u>	<u>\$ 850,000</u>
<b>Department Z8091 Roswell Air Services</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ -
Total revenues	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 1,200,000	\$ 1,200,000	\$ -	\$ 1,200,000
Total expenditures	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>	<u>\$ -</u>	<u>\$ 1,200,000</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8094 Jail System Incarceration	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Total revenues	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 200,000	\$ 200,000	\$ -	\$ 200,000
Total expenditures	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>
<b>Department Z8098 Asst Agencies ISD Rates</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ -	\$ 500,000	\$ 500,000	\$ -
Total revenues	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other financing uses	\$ -	\$ 500,000	\$ 500,000	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8190 Weatherization Service Prog	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 799,200	\$ 799,200	\$ 799,200	\$ -
Total revenues	<u>\$ 799,200</u>	<u>\$ 799,200</u>	<u>\$ 799,200</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Contractual Services	\$ 799,200	\$ 799,200	\$ 799,200	\$ -
Total expenditures	<u>\$ 799,200</u>	<u>\$ 799,200</u>	<u>\$ 799,200</u>	<u>\$ -</u>
<b>Department Z8310 Computer Clubhouse</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total revenues	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 50,000	\$ 50,000	\$ 49,488	\$ 512
Total expenditures	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 49,488</u>	<u>\$ 512</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department Z8310 Lea County Teen Court	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Total revenues	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Total expenditures	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>
<b>Department Z8555 Teen Court - Santa Fe</b>				
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 85,000	\$ 85,000	\$ 85,000	\$ -
Total revenues	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Other	\$ 85,000	\$ 85,000	\$ 82,795	\$ 2,205
Total expenditures	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>\$ 82,795</u>	<u>\$ 2,205</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department 8570 HS Basketball Tournament	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Interest in State Treasurer Investment Pool budgeted	\$ 100,000	\$ 100,000	\$ 100,000	
Total Interest in State Treasurer Ir	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
<b>Expenditures:</b>				
Contractual Services	\$ 100,000	\$ 100,000	\$ 95,000	\$ 5,000
Total expenditures	\$ 100,000	\$ 100,000	\$ 95,000	\$ 5,000

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Combined	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
State General Fund	\$ 42,764,300	\$ 43,264,300	\$ 43,264,300	\$ -
Other Financing Sources	2,000,000	2,000,000	2,000,000	-
Total revenues	44,764,300	45,264,300	45,264,300	-
Fund Balance budgeted	950,000	950,000	950,000	-
Total revenues and Fund Balance budgeted	<u>\$ 45,714,300</u>	<u>\$ 46,214,300</u>	<u>\$ 46,214,300</u>	<u>\$ -</u>
<b>Expenditures:</b>				
Contractual Services	\$ 1,774,200	\$ 1,774,200	\$ 1,505,562	\$ 268,638
Other	4,552,500	4,552,500	1,498,982	3,053,518
Other financing uses	39,387,600	39,887,600	39,787,600	100,000
Total expenditures	<u>\$ 45,714,300</u>	<u>\$ 46,214,300</u>	<u>\$ 42,792,144</u>	<u>\$ 3,422,156</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
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Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department A061904 Rodeo Local Fair		Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
		Original	Final			
<b>Revenues:</b>						
State General Fund	\$	8,000,000	8,000,000	8,000,000	-	\$ -
Total Revenues	\$	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>-</u>	<u>\$ -</u>
<b>Expenditures:</b>						
Contractual Services	\$	2,000,000	2,000,000	28,000	69,136	\$ 1,902,864
Other		5,920,000	5,920,000	-	930	5,919,070
Other Financing Uses	\$	80,000	80,000	-	-	80,000
Total Expenditures	\$	<u>8,000,000</u>	<u>8,000,000</u>	<u>28,000</u>	<u>70,066</u>	<u>\$ 7,901,934</u>
Department A050401 Electronic Tech for Amity		Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
		Original	Final			
<b>Revenues:</b>						
State General Fund	\$	150,000	150,000	150,000	-	\$ -
Total revenues	\$	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>\$ -</u>
<b>Expenditures:</b>						
Contractual Services	\$	150,000	150,000	-	150,000	\$ -
Other		-	-	-	-	-
Total Expenditures	\$	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>\$ -</u>
Department A050402 Transit Planning and Development		Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
		Original	Final			
<b>Revenues:</b>						
State General Fund	\$	1,000,000	1,000,000	1,000,000	-	\$ -
Total Revenues	\$	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>\$ -</u>
<b>Expenditures:</b>						
Contractual Services	\$	1,000,000	1,000,000	-	-	\$ 1,000,000
Total Expenditures	\$	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>\$ 1,000,000</u>

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department A040657 Water Innovation Funds	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
Other Financing Sources	\$ 7,609,516	7,609,516	7,609,516	-	\$ -
Total Revenues	\$ 7,609,516	7,609,516	7,609,516	-	\$ -
<b>Expenditures:</b>					
Personal Services and Benefits	\$ -	-	-	-	\$ -
Contractual Services	7,609,516	7,609,516	5,276,458	2,221,225	111,833
Other	-	-	-	-	-
Total Expenditures	\$ 7,609,516	7,609,516	5,276,458	2,221,225	\$ 111,833
<b>Department A040659 Film Production Ed</b>					
<b>Revenues:</b>					
Other Financing Sources	\$ 4,110,435	4,110,435	4,110,435	-	\$ -
Total Revenues	\$ 4,110,435	4,110,435	4,110,435	-	\$ -
<b>Expenditures:</b>					
Personal Services and Benefits	60,000	60,000	-	-	\$ 60,000
Contractual Services	3,717,510	3,717,510	517,500	50,000	3,150,010
Other Financing Uses	\$ 332,925	332,925	-	-	332,925
Total expenditures	\$ 4,110,435	4,110,435	517,500	50,000	\$ 3,542,935
<b>Org 1019 Women's Health Services Equipment</b>					
<b>Revenues:</b>					
Other Financing Sources	\$ -	-	1,000,000	-	\$ 1,000,000
Total Revenues	\$ -	-	1,000,000	-	\$ 1,000,000
<b>Expenditures:</b>					
Other Financing Uses	\$ -	-	-	-	\$ -
Total Expenditures	\$ -	-	-	-	\$ -

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
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Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department A051212 Film Facilities	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
Transfers In	\$ 2,000,000	2,000,000	2,000,000	-	\$ -
Total Revenue	\$ 2,000,000	2,000,000	2,000,000	-	\$ -
<b>Expenditures:</b>					
Contractual Services	1,000,000	1,082,500	82,500	200,408	\$ 799,592
Other	1,000,000	506,390	427	500,000	5,963
Other Financing Uses	\$ -	411,110	411,110	-	-
Total Expenditures	\$ 2,000,000	2,000,000	494,037	700,408	\$ 805,555
<b>Department A051209 Water Res Infr Projects</b>			<b>Actual Amounts (Budgetary Basis)</b>	<b>Current Amounts (Budgetary Basis)</b>	<b>Variance from Final Budget Favorable (Unfavorable)</b>
	<b>Budgeted Amounts</b>				
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Transfers In	\$ 5,000,000	5,000,000	5,000,000	-	\$ -
Total Revenue	\$ 5,000,000	5,000,000	5,000,000	-	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 5,000,000	5,000,000	1,461,040	1,679,968	\$ 1,858,992
Total Expenditures	5,000,000	5,000,000	1,461,040	1,679,968	\$ 1,858,992
<b>Department A061279 Film Facilities/Prog Statewide</b>			<b>Prior Amounts (Budgetary Basis)</b>	<b>Current Amounts (Budgetary Basis)</b>	<b>Variance from Final Budget Favorable (Unfavorable)</b>
	<b>Budgeted Amounts</b>				
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
State General Fund	\$ 4,000,000	4,000,000	4,000,000	-	\$ -
Total Revenue	\$ 4,000,000	4,000,000	4,000,000	-	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 2,000,000	2,000,000	-	615,134	\$ 1,384,866
Other	2,000,000	2,000,000	-	500,000	1,500,000
Total Expenditures	\$ 4,000,000	4,000,000	-	1,115,134	\$ 2,884,866

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
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Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department A061281 Water Innovation Tech for Cons		Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
		Original	Final			
<b>Revenues:</b>						
State General Fund	\$	3,000,000	3,000,000	3,000,000	-	\$ -
Total Revenues	\$	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>\$ -</u>
<b>Expenditures:</b>						
Contractual Services	\$	3,000,000	3,000,000	-	-	\$ 3,000,000
Total Expenditures	\$	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>\$ 3,000,000</u>
Department A061282 Local Planning Econ Development		Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
		Original	Final			
<b>Revenues:</b>						
State General Fund	\$	800,000	800,000	800,000	-	\$ -
Total Revenues	\$	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>-</u>	<u>\$ -</u>
<b>Expenditures:</b>						
Contractual Services	\$	800,000	800,000	-	247,824	\$ 552,176
Total expenditures	\$	<u>800,000</u>	<u>800,000</u>	<u>-</u>	<u>247,824</u>	<u>\$ 552,176</u>
Department A061283 Feasibility Study		Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
		Original	Final			
<b>Revenues:</b>						
State General Fund	\$	300,000	300,000	300,000	-	\$ -
Other Financing Sources		100,000	100,000	100,000	-	-
Total Revenues	\$	<u>400,000</u>	<u>400,000</u>	<u>300,000</u>	<u>-</u>	<u>\$ (100,000)</u>
<b>Expenditures:</b>						
Contractual Services	\$	100,000	400,000	25,698	166,023	\$ 208,279
Other		300,000	-	-	-	-
Total Expenditures	\$	<u>400,000</u>	<u>400,000</u>	<u>25,698</u>	<u>166,023</u>	<u>\$ 208,279</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department A061284 Statewide Food Bank	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 63,000	63,000	63,000	-	\$ -
Total Revenues	\$ 63,000	63,000	63,000	-	\$ -
<b>Expenditures:</b>					
Other	\$ 42,000	42,000	-	42,000	\$ -
Other Financing Uses	21,000	21,000	-	21,000	-
Total expenditures	\$ 63,000	63,000	-	63,000	\$ -
<b>Department A061285 Rodeo Arena Facilities</b>					
	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 10,000,000	10,000,000	10,000,000	-	\$ -
Total Revenues	\$ 10,000,000	10,000,000	10,000,000	-	\$ -
<b>Expenditures:</b>					
Other	\$ 10,000,000	10,000,000	-	25,000	\$ 9,975,000
Total Expenditures	\$ 10,000,000	10,000,000	-	25,000	\$ 9,975,000
<b>Department A051623 Statewide Rodeo Initiative</b>					
	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
Transfers In	\$ 700,000	700,000	700,000	-	\$ -
Total Revenues	\$ 700,000	700,000	700,000	-	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 650,000	614,905	41,033	374,016	199,856
Other	50,000	85,095	29,905	28,435	\$ 26,755
Total Expenditures	\$ 700,000	700,000	70,938	402,451	\$ 226,611

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
	<b>Department A061909</b>				
<b>NM Athletic All Star</b>					
<b>Revenues:</b>					
Transfers In	\$ 25,000	25,000	-	25,000	\$ -
Total Revenues	\$ 25,000	25,000	-	25,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 25,000	25,000	-	25,000	-
Other	-	-	-	-	\$ -
Total Expenditures	\$ 25,000	25,000	-	25,000	\$ -
<b>Department A060545</b>					
<b>Colonias Infra Improve State</b>					
<b>Revenues:</b>					
Other financing sources	\$ 5,000,000	5,000,000	-	418,472	\$ 4,581,528
Total Revenues	\$ 5,000,000	5,000,000	-	418,472	\$ 4,581,528
<b>Expenditures:</b>					
Contractual Services	\$ 50,000	50,000	-	50,000	-
Other	4,950,000	4,950,000	-	388,472	\$ 4,561,528
Total Expenditures	\$ 5,000,000	5,000,000	-	438,472	\$ 4,561,528
<b>Department A074610</b>					
<b>Upper Hondo Water Basin</b>					
<b>Revenues:</b>					
State General Fund	\$ 100,000	100,000	-	100,000	\$ -
Total Revenues	\$ 100,000	100,000	-	100,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 100,000	100,000	-	-	100,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 100,000	100,000	-	-	\$ 100,000

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department A074611 Affordable Housing	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 2,000,000	2,000,000	-	2,000,000	\$ -
Total Revenues	\$ 2,000,000	2,000,000	-	2,000,000	\$ -
<b>Expenditures:</b>					
Other Financing Uses	\$ 2,000,000	2,000,000	-	-	\$ 2,000,000
Total Expenditures	\$ 2,000,000	2,000,000	-	-	\$ 2,000,000
<b>Department A074612 Economic Development Projects</b>					
	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 1,000,000	1,000,000	-	1,000,000	\$ -
Total Revenues	\$ 1,000,000	1,000,000	-	1,000,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 1,000,000	1,000,000	-	-	1,000,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 1,000,000	1,000,000	-	-	\$ 1,000,000
<b>Department A074613 Public Pre-K</b>					
	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 500,000	500,000	-	500,000	\$ -
Total Revenues	\$ 500,000	500,000	-	500,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 500,000	500,000	-	-	500,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 500,000	500,000	-	-	\$ 500,000

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department A074614 Statewide Regional Housing	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 350,000	350,000	-	350,000	\$ -
Total Revenues	\$ 350,000	350,000	-	350,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 350,000	350,000	-	-	350,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 350,000	350,000	-	-	\$ 350,000
<b>Department A074615 Tribal Infrastructure</b>					
	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 5,000,000	5,000,000	-	5,000,000	\$ -
Total Revenues	\$ 5,000,000	5,000,000	-	5,000,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 5,000,000	5,000,000	-	-	5,000,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 5,000,000	5,000,000	-	-	\$ 5,000,000
<b>Department A074616 Center for Advanced Computing</b>					
	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 14,000,000	14,000,000	-	14,000,000	\$ -
Total Revenues	\$ 14,000,000	14,000,000	-	14,000,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 14,000,000	14,000,000	-	-	14,000,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 14,000,000	14,000,000	-	-	\$ 14,000,000

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department A074617 Clean Air Projects	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
	<b>Revenues:</b>				
State General Fund	\$ 1,000,000	1,000,000	-	1,000,000	\$ -
Total Revenues	\$ 1,000,000	1,000,000	-	1,000,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 1,000,000	1,000,000	-	-	1,000,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 1,000,000	1,000,000	-	-	\$ 1,000,000
<b>Department A074618 Energy Savers Facilities</b>					
<b>Revenues:</b>					
State General Fund	\$ 1,000,000	1,000,000	-	1,000,000	\$ -
Total Revenues	\$ 1,000,000	1,000,000	-	1,000,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 1,000,000	1,000,000	-	-	1,000,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 1,000,000	1,000,000	-	-	\$ 1,000,000
<b>Department A074619 Leak and Water Demonstration</b>					
<b>Revenues:</b>					
State General Fund	\$ 4,000,000	4,000,000	-	4,000,000	\$ -
Total Revenues	\$ 4,000,000	4,000,000	-	4,000,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 2,000,000	2,000,000	-	-	2,000,000
Other	2,000,000	2,000,000	-	-	\$ 2,000,000
Total Expenditures	\$ 4,000,000	4,000,000	-	-	\$ 4,000,000

See accompanying notes to financial statements.



STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

		Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
		Original	Final			
<b>Department A074620</b>						
<b>River Basin Ecosystem Restoration</b>						
<b>Revenues:</b>						
State General Fund	\$	2,500,000	2,500,000	-	2,500,000	\$ -
Total Revenues	\$	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>	<u>\$ -</u>
<b>Expenditures:</b>						
Contractual Services	\$	2,500,000	2,500,000	-	-	2,500,000
Other		-	-	-	-	\$ -
Total Expenditures	\$	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>\$ 2,500,000</u>
<b>Department A075567</b>						
<b>River Basin Ecosystem Restoration</b>						
<b>Revenues:</b>						
State General Fund	\$	35,000	35,000	-	35,000	\$ -
Total Revenues	\$	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>35,000</u>	<u>\$ -</u>
<b>Expenditures:</b>						
Contractual Services	\$	35,000	35,000	-	-	35,000
Other		-	-	-	-	\$ -
Total Expenditures	\$	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>\$ 35,000</u>
<b>Department A075568</b>						
<b>New Mexico Bowl</b>						
<b>Revenues:</b>						
State General Fund	\$	200,000	200,000	-	200,000	\$ -
Total Revenues	\$	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>\$ -</u>
<b>Expenditures:</b>						
Contractual Services	\$	200,000	200,000	-	-	200,000
Other		-	-	-	-	\$ -
Total Expenditures	\$	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>\$ 200,000</u>

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department A075569 NM Health Collaborative	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 100,000	100,000	-	100,000	\$ -
Total Revenues	\$ 100,000	100,000	-	100,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 100,000	100,000	-	-	100,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 100,000	100,000	-	-	\$ 100,000
<b>Department A075570 North American Institute Info</b>					
	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 100,000	100,000	-	100,000	\$ -
Total Revenues	\$ 100,000	100,000	-	100,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 100,000	100,000	-	-	100,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 100,000	100,000	-	-	\$ 100,000
<b>Department A075571 Statewide Rodeo Facilities</b>					
	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 1,000,000	1,000,000	-	1,000,000	\$ -
Total Revenues	\$ 1,000,000	1,000,000	-	1,000,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 1,000,000	1,000,000	-	-	1,000,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 1,000,000	1,000,000	-	-	\$ 1,000,000

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Department A075572 Statewide Rodeo Facilities	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 5,500,000	5,500,000	-	5,500,000	\$ -
Total Revenues	\$ 5,500,000	5,500,000	-	5,500,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 5,500,000	5,500,000	-	-	5,500,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 5,500,000	5,500,000	-	-	\$ 5,500,000
<b>Department A075573 Statewide Rodeo Facilities</b>					
	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 5,700,000	5,700,000	-	5,700,000	\$ -
Total Revenues	\$ 5,700,000	5,700,000	-	5,700,000	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 5,700,000	5,700,000	-	-	5,700,000
Other	-	-	-	-	\$ -
Total Expenditures	\$ 5,700,000	5,700,000	-	-	\$ 5,700,000
<b>Department Z8010 Acequia Project</b>					
	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from Final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 100,000	100,000	100,000	-	\$ -
Total Revenues	\$ 100,000	100,000	100,000	-	\$ -
<b>Expenditures:</b>					
Contractual Services	\$ 100,000	100,000	-	100,000	-
Other	-	-	-	-	\$ -
Total Expenditures	\$ 100,000	100,000	-	100,000	\$ -

See accompanying notes to financial statements.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Combining Schedule of Revenues and Expenditures -  
Budget and Actual (Budgetary Basis)  
Special Community Appropriations Fund - by Department  
For the Year Ended June 30, 2007

Combined	Budgeted Amounts		Prior Amounts (Budgetary Basis)	Current Amounts (Budgetary Basis)	Variance from final Budget Favorable (Unfavorable)
	Original	Final			
<b>Revenues:</b>					
State General Fund	\$ 71,498,000	71,498,000	27,413,000	44,085,000	\$ -
Other Financing Sources	<u>24,544,951</u>	<u>24,544,951</u>	<u>20,519,951</u>	<u>443,472</u>	<u>3,581,528</u>
Total Revenues	<u>\$ 96,042,951</u>	<u>96,042,951</u>	<u>47,932,951</u>	<u>44,528,472</u>	<u>\$ 3,581,528</u>
<b>Expenditures:</b>					
Personal Services and Benefits	\$ 60,000	60,000	-	-	\$ 60,000
Contractual Services	67,287,026	67,634,431	7,432,229	5,948,734	54,253,468
Other	26,262,000	25,503,485	30,332	1,484,837	23,988,316
Other Financing Uses	<u>2,433,925</u>	<u>2,845,035</u>	<u>411,110</u>	<u>21,000</u>	<u>2,412,925</u>
Total Expenditures	<u>\$ 96,042,951</u>	<u>96,042,951</u>	<u>7,873,671</u>	<u>7,454,571</u>	<u>\$ 80,714,709</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

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**Schedule of Transfers  
June 30, 2007**

Description	Fund	Transfer In/Out
<b>General Fund</b>		
Transfer from fund 620 Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9	01000	\$ 122,900
Transfer from fund 620 Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		58,500
Transfer from fund 620 Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		125,700
Transfer from fund 620 Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		80,200
To Re-classify deposit for consequential validity study from deferred revenue to other financing sources.		51,448
To reduce revenue revenues & reimburse PED for fund received by not expensed.		(36,499)
To capture revenues for Pre-K evaluation and correct OPR from CYFD reducing DFA expenditures.		104,653
To capture revenues for Pre-K evaluation and correct OPR from CYFD reducing DFA expenditures.		104,653
Subtotal General Fund		<u>611,555</u>
<b>County Supported Medicaid</b>		
Transfer to Human Services Department for County Support Medicaid 1st quarter distribution .	02100	(2,215,454)
Transfer to Health Department for County Support Medicaid 1st quarter distribution .		(219,111)
Transfer to Health Department for County Support Medicaid 2nd quarter distribution .		(851,341)
Transfer to Human Services Department for County Support Medicaid 2nd quarter distribution .		(8,608,005)
Transfer to Health Department for County Support Medicaid 2nd quarter distribution .		(1,150,965)
Transfer to Human Services Department for County Support Medicaid 2nd quarter distribution .		(11,637,534)
Transfer to Health Department for County Support Medicaid 2nd quarter distribution .		(3,198,320)
Subtotal County Supported Medicaid		<u>(27,880,730)</u>
<b>Local DWI Grant Program</b>		
Transfer to the Second Judicial district court for the 2nd quarter DWI	56000	(10,600)
Transfer to the Third Judicial district court for the 2nd quarter DWI		(8,525)
Transfer to the Third Judicial district court for the 2nd quarter DWI		(9,750)
Transfer to the Fourth Judicial district court for the 2nd quarter DWI		(26,825)
Transfer to the Fifth Judicial district court for the 2nd quarter DWI		(15,975)
Transfer to the Sixth Judicial district court for the 2nd quarter DWI		(6,500)
Transfer to the Eleventh Judicial district court for the 2nd quarter DWI		(7,025)
Transfer to the Eleventh Judicial district court for the 2nd quarter DWI		(10,100)
Transfer to the Twelfth Judicial district court for the 2nd quarter DWI		(20,875)
Transfer to the Thirteenth Judicial district court for the 2nd quarter DWI		(33,450)
Transfer to the Bernalillo County Metro Court for the 2nd quarter DWI		(205,900)
Transfer to the Administrative Office of the courts for the 2nd quarter DWI		(19,475)
Transfer to the Second Judicial district court for the 3rd quarter DWI		(10,600)
Transfer to the Third Judicial district court for the 3rd quarter DWI		(8,525)
Transfer to the Third Judicial district court for the 3rd quarter DWI		(9,750)
Transfer to the Fourth Judicial district court for the 3rd quarter DWI		(26,825)
Transfer to the Fifth Judicial district court for the 3rd quarter DWI		(15,975)
Transfer to the Sixth Judicial district court for the 3rd quarter DWI		(6,500)
Transfer to the Eleventh Judicial district court for the 3rd quarter DWI		(7,025)
Transfer to the Eleventh Judicial district court for the 3rd quarter DWI		(10,100)
Transfer to the Twelfth Judicial district court for the 3rd quarter DWI		(20,875)
Transfer to the Thirteenth Judicial district court for the 3rd quarter DWI		(33,450)

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

Schedule E  
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**Schedule of Transfers  
June 30, 2007**

Description	Fund	Transfer In/Out
Transfer to the Bernalillo County Metro Court for the 3rd quarter DWI		(205,900)
Transfer to the Administrative Office of the courts for the 3rd quarter DWI		(19,475)
Transfer to the Second Judicial district court for the 1st quarter DWI		(10,600)
Transfer to the Third Judicial district court for the 1st quarter DWI		(8,525)
Transfer to the Third Judicial district court for the 1st quarter DWI		(9,750)
Transfer to the Fourth Judicial district court for the 1st quarter DWI		(26,825)
Transfer to the Fifth Judicial district court for the 1st quarter DWI		(15,975)
Transfer to the Sixth Judicial district court for the 1st quarter DWI		(6,500)
Transfer to the Eleventh Judicial district court for the 1st quarter DWI		(7,025)
Transfer to the Eleventh Judicial district court for the 1st quarter DWI		(10,100)
Transfer to the Twelfth Judicial district court for the 1st quarter DWI		(20,875)
Transfer to the Thirteenth Judicial district court for the 1st quarter DWI		(33,450)
Transfer to the Bernalillo County Metro Court for the 1st quarter DWI		(205,900)
Transfer to the Administrative Office of the courts for the 1st quarter DWI		(19,475)
Transfer to the Department of Transportation for Ignition interlock fund		(300,000)
Transfer to the Second Judicial district court for the 4th quarter DWI		(10,600)
Transfer to the Third Judicial district court for the 4th quarter DWI		(8,525)
Transfer to the Third Judicial district court for the 4th quarter DWI		(9,750)
Transfer to the Fourth Judicial district court for the 4th quarter DWI		(26,825)
Transfer to the Fifth Judicial district court for the 4th quarter DWI		(15,975)
Transfer to the Sixth Judicial district court for the 4th quarter DWI		(6,500)
Transfer to the Eleventh Judicial district court for the 4th quarter DWI		(7,025)
Transfer to the Eleventh Judicial district court for the 4th quarter DWI		(10,100)
Transfer to the Twelfth Judicial district court for the 4th quarter DWI		(20,875)
Transfer to the Thirteenth Judicial district court for the 4th quarter DWI		(33,450)
Transfer to the Bernalillo County Metro Court for the 4th quarter DWI		(205,900)
Transfer to the Administrative Office of the courts for the 4th quarter DWI		(19,475)
Subtotal Local DWI Grant Program		<u>(1,800,000)</u>
<b>Capital Project-Multi Vendors</b>	<b>58100</b>	
TRANSFER FUNDS TO HSD PER MOU per the Law of 2006, Chapter 111, Section 47-8		(21,000)
Subtotal Capital Project-Multi Vendors		<u>(21,000)</u>
<b>DFA Special Appropriation Fund</b>	<b>62000</b>	
Transfer in from OCIO for Transfer to GSD		2,000,000
<b>MOU - ECONOMIC DEVELOPMENT PROJECTS</b>		(100,000)
Transfer to Legislative Council Service for Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(153,100)
Transfer to Legislative Finance Committee for Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(133,200)
Transfer to Senate Interim for Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(34,500)
Transfer to House Interim Compensation for Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(36,000)
Transfer to Legislative Education Study Commission for Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(41,300)
Transfer to Legislative Maintenance Commission for Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(104,000)
Transfer to Supreme Court Law Library for Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(26,686)
Transfer to Judicial Standards Commission for Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(22,889)
Transfer to Court of Appeals for Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(229,027)
Transfer to Supreme Court for Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(109,720)
Transfer to Administrative Office of the Courts Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(1,140,022)

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

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**Schedule of Transfers  
June 30, 2007**

Description	Fund	Transfer In/Out
Transfer to Supreme Court Building Commission Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(19,793)
Transfer to First Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(235,747)
Transfer to Second Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(815,614)
Transfer to Third Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(206,399)
Transfer to Fourth Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(54,217)
Transfer to Fifth Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(201,031)
Transfer to Sixth Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(78,416)
Transfer to Seventh Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(69,695)
Transfer to Eighth Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(65,147)
Transfer to Ninth Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(107,395)
Transfer to Ninth Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(27,288)
Transfer to Tenth Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(193,244)
Transfer to Eleventh Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(90,114)
Transfer to Twelfth Judicial District Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(166,342)
Transfer to Bernalillo County Metro Court Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(707,314)
Transfer to First Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(186,072)
Transfer to Second Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(696,732)
Transfer to Third Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(184,068)
Transfer to Fourth Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(106,437)
Transfer to Fifth Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(130,461)
Transfer to Sixth Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(104,508)
Transfer to Seventh Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(78,368)
Transfer to Eighth Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(90,294)
Transfer to Ninth Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(91,197)
Transfer to Tenth Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(31,901)
Transfer to Eleventh Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(143,579)
Transfer to Twelfth Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(108,873)
Transfer to Thirteenth Judicial District DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(160,266)
Transfer to Administrative Office of the DA Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(36,594)

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

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**Schedule of Transfers  
June 30, 2007**

Description	Fund	Transfer In/Out
Transfer to Eleventh Judicial District DA Div. II Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(69,050)
Transfer to Attorney General Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(431,200)
Transfer to State Auditor Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(92,600)
Transfer to Taxation and Revenue Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(1,844,700)
Transfer to fund 010 Department of Finance and Administration Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(387,300)
Transfer to General Services Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(265,800)
Transfer to Public Defender Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(981,400)
Transfer to Governor's Office for Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(132,200)
Transfer to Lieutenant Governor's office Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(15,700)
Transfer to Office of the Chief Information Officer Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(32,900)
Transfer to State Records and Archives Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(106,300)
Transfer to Secretary of state Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(73,800)
Transfer to State Personal Board Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(180,200)
Transfer to Public Employee Labor Relation Board Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(9,300)
Transfer to State Treasurer Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(109,000)
Transfer to Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(8,700)
Transfer to Border Authority Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(12,100)
Transfer to Tourism Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(131,400)
Transfer to Department of Economic Development Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(231,300)
Transfer to Regulation and Licensing Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(487,500)
Transfer to Public Regulation Commission Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(327,100)
Transfer to Gaming Control Board Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(147,500)
Transfer to State Racing Commission Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(49,800)
Transfer to Department of Cultural Affairs Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(947,300)
Transfer to Livestock Board Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(46,300)
Transfer to Game and Fish Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(7,300)
Transfer to Energy, Minerals and Natl. Resources Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(828,700)
Transfer to Office of State Engineer Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(958,000)
Transfer to New Mexico Organic Committee Commission Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(9,300)

See accompanying notes to financial statements.



**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

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**Schedule of Transfers  
June 30, 2007**

Description	Fund	Transfer In/Out
Transfer to Commission on the Status of Woman Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(20,300)
Transfer to Office of African American Affairs Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(4,300)
Transfer to Martin Luther King Jr. Commission Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(5,300)
Transfer to Commission for the Blind Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(151,300)
Transfer to Indian Affairs Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(30,600)
Transfer to Aging and Long Term Care Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(423,800)
Transfer to Human Services Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(1,300,600)
Transfer to Department of Labor Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(156,400)
Transfer to Division of Vocational Rehabilitation Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(100,600)
Transfer to Committee on Concerns of the Handicapped Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(25,400)
Transfer to Developmental Disabilities Planning Council Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(25,900)
Transfer to Health Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(3,552,700)
Transfer to Environment Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(500,300)
Transfer to Natural resources Trustee Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(12,500)
Transfer to NM Health Policy Commission Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(37,600)
Transfer to Department of Veteran Services Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(68,600)
Transfer to Children, Youth and Families Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(3,813,400)
Transfer to Military Affairs Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(124,200)
Transfer to Adult Parole board Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(13,700)
Transfer to Juvenile Parole Board Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(13,000)
Transfer to Corrections Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(4,060,700)
Transfer to Crime Victims Reparation Commission Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(44,500)
Transfer to Department of Public Safety Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(4,029,000)
Transfer to Public Education Department Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(448,200)
Transfer to Commission on Higher Education Compensation Appropriation per Laws of 2006, Chapter 109, Section 8 items 1-9		(83,400)
Transfer to General Services Department telecommunication backbone per the Laws of 2006, Chapter 109, Section 7, Item 6		(2,000,000)
Transfer to Department of Public Safety for special appropriation compensation allocation per the Laws of 2006, Chapter 110, Section 3, Item 1		(2,000,000)
TO SET UP DUE TO ASSIST STATE AGENCIES WITH INCREASED ISD RATES - LAWS OF 2007, CHAPTER 28, SECTION 6, ITEM 6		(500,000)
Subtotal DFA Special Appropriation Fund		<u>(37,787,600)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

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**Schedule of Transfers  
June 30, 2007**

<u>Description</u>	<u>Fund</u>	<u>Transfer In/Out</u>
<b>Jobs &amp; Growth Tax Relief</b>	<b>62500</b>	
Transfer to Public Education for the purpose of Steroid Testing.		(50,000)
Transfer to Governor's Office for the purpose of 911 memorial .		(3,000)
Transfer to New Mexico State University to support International Business Support.		(15,000)
Transfer to Public Education for the purpose of funding dance-related school activities in Albuquerque		(50,000)
Overpayment by DFA for Federal Fiscal Relief award for STEPS program		30,000
Transfer to Public Education for the purpose of funding a school playground in the Gadsden School District.		(100,000)
Transfer to Health Department for the purpose of the wellness project.		(20,000)
Transfer to Public Education for the purpose of funding South Valley Academy technology improvements.		(50,000)
Transfer to Public Education for the purpose of funding Taos High School student Council conference.		(5,000)
Transfer to Public Education for the purpose of funding a 42 passenger bus for Gallinas Charter School.		(60,000)
Transfer to Public Education for the purpose of funding science education at Cochiti/Pojoaque middle schools.		(30,000)
Transfer to State Records Center and Archives - Commission of Public Records for the expansion of the New Mexico Digital History Project.		(60,000)
Subtotal Jobs & Growth Tax Relief		<u>(413,000)</u>
<b>Tobacco Settlement Program Fund</b>	<b>69700</b>	
Tobacco settlement program fund appropriation Laws of 2006, Chapter 109, Section 4,J.Higher Education		(4,400,000)
HSD-Tobacco Settlement Program Fund appropriation. Laws of 2006, Chapter 109, Section 4, F. Health, Hospitals and Human Services		(1,300,000)
Transfer to Third Judicial District Court UNM-Tobacco Settlement Program Fund appropriation. Laws of 2007, Chapter 28, Section 5, Items 114 and 120.		(2,200,000)
Transfer to Third Judicial District Court UNM-Tobacco Settlement Program Fund appropriation. Laws of 2007, Chapter 28, Section 5, Items 114 and 120.		(1,000,000)
Subtotal Tobacco Settlement Program Fund		<u>(8,900,000)</u>
<b>Total</b>		<u>\$ (76,190,775)</u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION**  
**Schedule of Receivables From Other State Agencies**  
**June 30, 2007**

<u>Receiving Fund</u>	<u>State Agency Due From</u>	<u>Amount</u>
<b>Special Revenue Fund:</b>		
02100	Taxation and Revenue Department	\$ 2,543,217
20900	Secretary of State	120,000
52900	State General Fund	745,000
62400	Children Youth and Families	145,215
72600	Office of the State Treasurer	37,188
73600	Administrative Office of the Courts	14,058
74500	Taxation and Revenue Department	2,094,250
<b>Total Special Revenue Funds</b>		<b>5,698,928</b>
<b>Debt Service Funds:</b>		
01500	Taxation and Revenue Department	13,830
01700	Taxation and Revenue Department	292,188
<b>Total Debt Service Funds</b>		<b>306,018</b>
<b>Total Governmental Funds</b>		<b>6,004,946</b>
<b>Fiduciary Funds:</b>		
045	Taxation and Revenue Department	48,558
105	Office of the State Treasurer	178,044
107	Public Regulations Commission	33,454
222	State Investment Council	10,252
224	State Investment Council	73,082
226	State Investment Council	1,268,120
227	Department of Education	10,323
228	State Investment Council	7,634
231	State Investment Council	753,499
232	State Investment Council	755,708
233	State Investment Council	595,247
	Taxation and Revenue Department	22,581
234	State Investment Council	2,456
589	Taxation and Revenue Department	56,303
	State Investment Council	2,106
590	Office of the State Treasurer	1,524
	Various Municipal/Metro Courts	51,765
724	All State Agencies - Share of Payroll Expense	24,964,017
761	State Investment Council	332,626
800	Taxation and Revenue Department	575,606
<b>Total Fiduciary Funds</b>		<b>29,742,905</b>
<b>TOTALS</b>		<b>\$ 35,747,851</b>

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

Schedule G

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**Schedule of Payables To Other State Agencies  
June 30, 2007**

Disbursing Fund	State Agency Due To	Amount
<b>General Fund:</b>		
01000	Various Agencies	\$ 49,364
Total General Fund		<u>49,364</u>
<b>Special Revenue Fund:</b>		
02100	Department of Health	3,781,149
20900	Office of Cultural Affairs	6,000
52900	Various Agencies - For Reauthorized Approp.	1,286,389
61000	Various Agencies - For Reauthorized Approp.	58,188
62000	Various Agencies	1,475,146
Total Governmental Funds		<u>6,606,872</u> <u>6,656,236</u>
<b>Fiduciary Funds:</b>		
<b>Policy Development:</b>		
00100	Various State Agencies - Severance Tax Bonds	30,389,719
00200	Various State Agencies - Severance Tax Bonds	108,857
01900	Various State Agencies - Severance Tax Bonds	190,262,523
02200	Various State Agencies - Gen. Obligation Bonds	6,914,944
02700	Various State Agencies - Severance Tax Bonds	142,601,983
03300	Various State Agencies - Gen. Obligation Bonds	104,623
04000	Various State Agencies - Severance Tax Bonds	656,980
04100	Various State Agencies - Severance Tax Bonds	2,100
05400	Various State Agencies - Gen. Obligation Bonds	47,256,496
05500	Various State Agencies - Severance Tax Bonds	121,235
06200	Various State Agencies - Severance Tax Bonds	1,699,034
22900	Various State Agencies - Severance Tax Bonds	42,778,251
26800	Various State Agencies - Severance Tax Bonds	4,818,238
28300	Various State Agencies - Severance Tax Bonds	261,950
29300	Various State Agencies - Severance Tax Bonds	1,073,765
29900	Various State Agencies - Severance Tax Bonds	40,746,075
30100	Various State Agencies - Severance Tax Bonds	1,844,554
30200	Various State Agencies - Severance Tax Bonds	900,275
31200	Various State Agencies - Severance Tax Bonds	18,804,722
31300	Various State Agencies - Severance Tax Bonds	39,219,888
40300	Various State Agencies - Severance Tax Bonds	16,848,871
40700	Various State Agencies - Severance Tax Bonds	24,170,497
56300	Various State Agencies - Severance Tax Bonds	15,437,755
57400	Various State Agencies - Severance Tax Bonds	3,976,799
58800	Various State Agencies - Severance Tax Bonds	1,537,648
62100	Various State Agencies - Severance Tax Bonds	8,876,818
62600	Various State Agencies - Severance Tax Bonds	142,223,932
62700	Various State Agencies - Gen. Obligation Bonds	1,289,743
63000	Various State Agencies - Severance Tax Bonds	15,169
65300	Various State Agencies - Severance Tax Bonds	10,391,669
66300	Various State Agencies - Severance Tax Bonds	136,371,000

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Schedule G  
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**Schedule of Payables To Other State Agencies  
June 30, 2007**

Disbursing Fund	State Agency Due To	Amount
66400	Various State Agencies - Severance Tax Bonds	118,856,212
66500	Various State Agencies - Severance Tax Bonds	65,011,000
66600	Various State Agencies - Severance Tax Bonds	50,000,000
70800	Various State Agencies - Gen. Obligation Bonds	268,522
73200	Various State Agencies - Severance Tax Bonds	3,645,648
73300	Various State Agencies - Severance Tax Bonds	452,190
73400	Various State Agencies - Severance Tax Bonds	374,017
74600	Various State Agencies - Severance Tax Bonds	1,481,704
75700	Various State Agencies - Severance Tax Bonds	5,575
76200	Various State Agencies - Severance Tax Bonds	219,386
76500	Various State Agencies - Severance Tax Bonds	35,841
79500	Various State Agencies - Severance Tax Bonds	5,217,610
79700	Various State Agencies - Severance Tax Bonds	5,050
80000	Office of State Treasurer	3,829,354
80300	Various State Agencies - Severance Tax Bonds	21,928,960
80900	Various State Agencies - Severance Tax Bonds	138,919,755
81500	Various State Agencies - Severance Tax Bonds	16,937,671
81700	Various State Agencies - Severance Tax Bonds	33,447
88600	Various State Agencies - Severance Tax Bonds	6,480,423
88800	Various State Agencies - Severance Tax Bonds	10,000,000
93800	Various State Agencies - Severance Tax Bonds	241,989
96900	Various State Agencies - Severance Tax Bonds	38,195,000
99600	Various State Agencies - Severance Tax Bonds	1,038,868
<b>Total Policy Development</b>		<u>1,414,884,335</u>
<b>Fiscal Management:</b>		
00300	Public Employees Retirement Fund	469,590
00900	Various Agencies - Computer Enhancement	34,022,278
04500	Carrie Tingley Hospital	54,047
590	Judicial Educational Municipal	84,419
74700	Various Agencies - Capital Projects Appro.	2,573,080
76100	Various Agencies	<u>157,310</u>
<b>Total Fiscal Management</b>		<u>37,360,725</u>
<b>Total Fiduciary Funds</b>		<u>1,452,245,060</u>
<b>TOTAL</b>		<u><u>\$ 1,458,901,296</u></u>

See accompanying notes to financial statements.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

Schedule H

**Schedule of Joint Powers Agreements  
For the year Ended June 30, 2007**

<u>Participants</u>	<u>Administering Agency</u>	<u>Description</u>	<u>Term Date</u>	<u>Total Amount</u>	<u>DFA Amount</u>	<u>Audit/Responsible Party</u>
DFA/Economic Dev Dept.	DFA	transfer of funds from EDD to DFA for projects under the MainStreet Program	2/15/06 - 06/30/10	\$ 1,142,500	\$ 1,142,500	DFA
DFA/DOH	DFA	to facilitate DWI Grant Program data analysis, etc.	8/10/06 - 06/30/07	\$ 21,500	\$ 21,500	DOH
DFA/City of Las Vegas	DFA	provide funds to Las Vegas for improvements to their wastewater treatment facility	7/7/06 - 12/07/07	\$ 749,800	\$ 749,800	Las Vegas
DFA/City of Clayton	DFA	conduct the Governor's Championship Rodeo	9/12/06 - 03/12/07	\$ 19,350	\$ 19,350	Clayton
DFA/MFA	MFA	provide funds for energy efficient improvements to low-income housing	7/18/06 - 06/30/07	\$ 800,000	\$ 800,000	MFA
DFA/MFA	MFA	renovate, expand, improve infrastructure for low-income rental housing managed by Abq. Mental Health Housing Coalition	8/4/06 - 06/30/10	\$ 625,000	\$ 200,000	MFA
DFA/IAD	IAD	for planning, design and construction of a security complex on Pueblo of Santo Domingo	7/18/06 - 6/30/10	\$ 150,000	\$ 150,000	IAD
DFA/NMSU	NMSU	plan, design, and construction of capital improvements Mesilla Val.	11/29/06 - 6/30/10	\$ 200,000	\$ 200,000	NMSU

(1) Reporting is the responsibility of all entities involved.

(2) The expenditures are reported in the books of the responsible party.

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Schedule of Amounts Due To/From State General Fund  
June 30, 2007**

<b>Due to State General Fund</b>			
<u>FUND</u>	<u>Reverted for Fiscal Year 2007</u>	<u>2006 Reversion Liability</u>	<u>Total Due at June 30, 2007</u>
010 - General Fund	2,079,288	297,144	\$ 2,376,432
529 - Misc. Gen. Fund Projects	-	314,273	314,273
209 - BOF Emergency Fund	647,056	-	647,056
210 - Emergency Water Supply Fund	106,600	850	107,450
620 - DFA Special Appropriations	208,568	572,059	780,627
736- Law Enforcement fund	6,852,423	-	6,852,423
861 - EVMRF	-	-	-
<b>Total Governmental Funds</b>	<b><u>\$ 9,893,935</u></b>	<b><u>\$ 1,184,326</u></b>	<b><u>\$ 11,078,261</u></b>
 <b>Due from State General Fund</b>			
<u>FUND</u>			
620 - DFA Special Appropriations	953,740	Laws of 2005, Chapter 33 Section 7 (18) Multi-Agency Archiving	
<b>Total Governmental Funds</b>	<b><u>\$ 953,740</u></b>		

See accompanying notes to financial statements

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**Schedule of Expenditures of Federal Awards  
For The Year Ended June 30, 2007**

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Amount of Federal Awards Expended
U.S. Dept. of Housing & Urban Development: Community Development Block Grants/State's Program	14.228	\$ 11,299,243
U.S Department of the Treasury Jobs & Growth Tax Reconciliation Act of 2003	21.999	5,732,106
U.S. Dept. of Health & Human Services: Pass-through from State of New Mexico Children Youth & Families Dept.: Foster Care - Title IV-E Citizens Review Board	93.658	165,250
Federal Revenue per Exhibit 5		<u>17,196,599</u>
<b>Federal Activity related to Fiduciary Funds:</b>		
U.S. Dept. of Interior: Distribution of Receipts to State and Local Governments (Revenue Sharing, Public Lands and Resources) Federal Taylor Grazing Act	15.227	374,465
U.S. Dept. of Agriculture: School and Roads - Grants to Counties (Forest Reserve)	10.665	<u>2,383,577</u>
Total Expenditures of Federal Awards		<u>\$ 19,954,641</u>

**Note 1. Basis of Presentation:** The accompanying schedule of expenditures of federal awards includes the federal grant activity of the State of New Mexico, Department of Finance and Administration and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**Note 2. Subrecipients:** Of the federal expenditures presented in the schedule, the State of New Mexico, Department of Finance and Administration provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/State's Program	14.288	\$ 10,698,902
Jobs & Growth Tax Relief Act of 2003	21.999	5,732,106
Federal Taylor Grazing Act	15.227	374,465
School and Roads - Grants to Counties (Forest Reserve)	10.665	2,383,577

**Note 3. Loans Outstanding:** The State of New Mexico, Department of Finance and Administration's Community Development Block Grant/State's Program (CFDA Number 14.228) had loan balances of \$201,501 outstanding at June 30, 2007. No new loans were made during the year. Principal payment of \$56,811 and interest payments of \$2,688 received during the fiscal year ended June 30, 2007 are program income and were used to finance the federal expenditures presented in the schedule for the CDBG program

**Note 4. Non-Interest in State Treasurer Investment Pool Assistance:** No federal awards were received or expended in the form of non-Interest in State Treasurer Investment Pool assistance for the the fiscal year ended June 30, 2007.

See accompanying notes to financial statements.



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

Ms. Katherine B. Miller, Cabinet Secretary  
State of New Mexico  
Department of Finance and Administration  
and  
Mr. Hector H. Balderas,  
New Mexico State Auditor

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund, major special revenue funds, major capital projects funds, the combining and individual funds, and budgetary comparisons presented as supplemental information of the State of New Mexico, Department of Finance and Administration (Department) as of and for the year ended June 30, 2007, and have issued our report thereon dated December 14, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

Ms. Katherine B. Miller, Cabinet Secretary  
State of New Mexico  
Department of Finance and Administration  
and  
Mr. Hector H. Balderas,  
New Mexico State Auditor

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Department's financial statements that is more than inconsequential will not be prevented or detected by the Department's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting; 07-02, 07-04, 07-05, and 07-06.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

However, we noted other matters involving the internal control over financial reporting that are required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of findings and questioned costs as items 06-01, 07-01, and 07-03.



Ms. Katherine B. Miller, Cabinet Secretary  
State of New Mexico  
Department of Finance and Administration  
and  
Mr. Hector H. Balderas,  
New Mexico State Auditor

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department'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*.

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

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

*Moss Adams LLP*

Albuquerque, New Mexico  
December 14, 2007

**Report on Compliance with Requirements Applicable to Each  
Major Program and Internal Control Over Compliance  
in Accordance With OMB Circular A-133**

Ms. Katherine B. Miller, Cabinet Secretary  
State of New Mexico  
Department of Finance and Administration  
and  
Mr. Hector H. Balderas,  
New Mexico State Auditor

Compliance

We have audited the compliance of the State of New Mexico, Department of Finance and Administration (Department) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Department's management. Our responsibility is to express an opinion on the Department's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Department's compliance with those requirements.

In our opinion, the Department, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 07-07.



Ms. Katherine B. Miller, Cabinet Secretary  
State of New Mexico  
Department of Finance and Administration  
and  
Mr. Hector H. Balderas,  
New Mexico State Auditor

### Internal Control Over Compliance

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

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Department's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 07-07 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or

Ms. Katherine B. Miller, Cabinet Secretary  
State of New Mexico  
Department of Finance and Administration  
and  
Mr. Hector H. Balderas,  
New Mexico State Auditor

detected by the entity's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

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

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

*Moss Adams LLP*

Albuquerque, New Mexico  
December 14, 2007

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2007**

05-01	Payment Vouchers	Resolved
06-01	Information Technology Enhancements	Revised and Repeated
06-02	Subrecipient Monitoring	Resolved

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified that are not considered to be material weakness(es)?   X   Yes \_\_\_\_\_ None Reported

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

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified that are not considered to be material weaknesses   X   Yes \_\_\_\_\_ None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 501(a) of Circular A-133?   X   Yes \_\_\_\_\_ No

**Identification of Major Program**

CFDA Number	Name of Federal Program or Cluster
10.665	Schools and Roads – Grants to States
14.228	Community Development Block Grant
21.999	Jobs and Growth Tax Reconciliation Act of 2003

Dollar threshold used to distinguish between type A and type B programs \$   587,405  

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No



**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**06-01 Information Technology Enhancements**

**Condition**

During our discussion and observation of the computer systems for the Department, we noted the following:

- The Department does not currently subject prospective technology employees to a credit check and criminal background check.
- It does not appear that the Department's network and firewall have undergone penetration testing in the last audit year by an independent security expert.
- The Department has a wireless local-area-network in place; however, it is not clear how the wireless network is secured.

**Criteria**

Section 12-6-5 NMSA 1978, "...any violation of law or good accounting practice should be presented as a finding."

It is good accounting practice to ensure that good IT general controls be in place to prevent damage or compromise of assets, interruption to business activities and unauthorized access to systems.

**Cause**

The Department has not considered the need to strengthen IT controls over the above areas.

***Effect***

The overall effect could result in the loss of departmental data through use of unqualified outside contractors, potentially hiring untrustworthy employees, lack of sufficient testing of security measures and potentially unsecured wireless local-area-network.

**Recommendation**

We recommend that the Department consider the following to strengthening its controls over IT:

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**06-01 Information Technology Enhancements (Continued)**

**Recommendation (Continued)**

- The Department should subject prospective technology employees to a credit check and criminal background check. In today's business environment, companies can be held liable for the actions of employees due to negligent hiring practices. Therefore, every precaution should be taken when evaluating prospective employees. Subjecting applicants to these checks will help the Department ensure that it continues to hire responsible and trustworthy employees.
- The Department's network and firewall should be subject to penetration testing yearly by an independent security expert. Such testing can help uncover vulnerabilities along the network perimeter that may not be readily apparent. These vulnerabilities can be exploited by hackers to gain unauthorized access to systems or to launch denial-of-service attacks against the network. Though the Department may have security expertise in house or through its ongoing outsourced providers, it is recommended that testing is performed by an independent security expert to ensure that the assessment is objective and unbiased. External connections should be tested annually, and penetration testing should be performed quarterly.
- If not already in place, the Department should consider implementing Wi-Fi Protected Access (WPA) and Ethernet/MAC address filtering to secure the wireless network. Wireless networks are inherently less secure than traditional networks, and therefore it is important to ensure that the wireless network is protected. If The Department is currently using WEP (Wired Equivalent Private) algorithm, consideration should be given to upgrading the hardware needed to support the WPA standard. The WPA is reportedly a stronger protocol that addresses the weaknesses in WEP.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**06-01 Information Technology Enhancements (Continued)**

**Management Response**

- The Department currently relies on verifying the employee references to ensure the integrity and trustworthiness of its technology employees. The Department does concur that it would be prudent to conduct a credit check and criminal background check on employees working in critical systems.
- The Department relies on the Department of Information Technology (DoIT) to protect the network and servers. DoIT maintains and conducts the necessary testing to insure protection from outside intrusion. We concur that other network systems at the Department have not undergone penetration testing in the last year however the Department is confident that the in-house IT experts are using the necessary tools to protect the network system from outside intruders.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**07-01 Purchase Cards**

**Condition**

During our testing of purchase card transactions (we haphazardly selected one purchase card transaction from each month) we noted instances when the Department's Policies and Procedures were not followed. The following items were noted: Two instances (one instance for an amount of \$297.95 and one instance for an amount of \$1,219.53) out of twelve where procurement card purchases were made before approval was given. One instance out of twelve occurred where the balance of purchases was not paid in full because P-Card Log sheet was improperly calculated (understated by \$200). The error occurred in April and was caught by an internal review in June.

**Criteria**

The Department's Policies and Procedures as they relate to purchase cards require that proper approval is obtained prior to purchase of goods or services and the balances on the purchase cards be paid in full each month.

**Cause**

Employees are not following the Department's Policies for Procedures as they relate to the use of purchase cards, and there was a formula error on the monthly reconciliation that was not discovered by the employee approving the reconciliation.

**Effect**

Certain purchases were made without prior approval and the balance on purchase cards was not paid timely.

**Recommendation**

We recommend that management continue to emphasize the importance of obtaining prior approval for purchase and take action against employees that do not comply with this. Also, the Department should develop a standard template to be used for the monthly reconciliation where the formulas can not be changed.

**Management Response**

Currently the Department requires all Procurement Card holders to attend a training forum that highlights the policies and procedures related to card purchases. In future forums we will emphasize the importance of obtaining the required written approval prior to utilizing the card for purchases. We will also require that current holders attend a refresher session at least annually. Cardholders that do not follow procedure will have their card privileges revoked and may face other disciplinary action.

To reduce the risk of calculation errors occurring with the P-Card Log sheet, a second review and approval will be required prior to submitting to Accounts Payable for vouchering.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**07-02 Operating Transfers**

**Condition**

During our testing of operating transfers we noted that six of the twelve monthly allotments (these six allotments tested totaled \$12,540,615) in our sample the operating transfers did not have any supporting documentation or signatures authorizing the final posting to the general ledger.

**Criteria**

The State of New Mexico's Manual of Model of Accounting Practices (MAPS), FIN 3.6, pg 117, requires that the following are completed for the monthly allotment operating transfers:

1. Complete the necessary Operating Transfer Document following applicable SHARE forms completion instructions.
2. Obtain the required signed authorization on the Operating Transfer document before input into SHARE.
3. Send a copy of the Operating Transfer to each state agency affected by the transfer, after the document has been processed.

**Cause**

The Department's employees are not consistently following the established MAPS procedures for monthly allotments.

**Effect**

An allotment could be made in error without a proper system of prior review and approval in place.

**Recommendation**

We recommend that the Department consistently follow the MAPS for monthly allotments.

**Management Response**

The operating transfers in question recur on a monthly basis and do include the citation of the law as documentation to support the Department's authority to make the transfer. In addition an allotment worksheet is maintained and referred to when the operating transfers are prepared to prevent errors in over or under-allocating.

The Department does currently require that all monthly allotment transfers be reviewed and initialed when approved in Statewide Human Resources, Accounting, and Management Reporting System.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**07-03 Reversion to State of New Mexico General Fund**

**Condition**

The June 30, 2006 audited financial statements show a reversion payable of \$4,060,332, whereas, the Department reverted \$2,876,006 of the 2006 reversion payable during the fiscal year ended June 30, 2007 and \$1,184,326 remained unpaid as of June 30, 2007.

**Criteria**

Section 6-5-10, NMSA 1978 requires “all unreserved, undesignated fund balances in reverting funds and accounts as reflected in the central accounting system as of June 30, shall revert by September 30, to the general fund. The division may adjust the reversion within forty-five days of release of the audit report for that fiscal year.”

**Cause**

Due to an oversight on the part of the Department's Fiscal Staff, the Department inadvertently did not revert this money in a timely manner.

**Effect**

The State General Fund did not receive excess fund balances from the Department on a timely basis.

**Recommendation**

The Department should remit their preliminary calculated reversion amounts by September 30, and should remit any additional amounts due based on the final audited amounts as soon as possible after the financial statements are approved by the New Mexico State Auditor.

**Management Response**

We concur with the auditor's finding that the Department did not make the final reversion to the State General Fund within forty five days of release of the audit report. The ending balances that carried forward to fiscal year 2007 were posted to the Statewide Human Resources, Accounting, and Management Reporting System late in the fiscal year resulting in an oversight for making the final reversion to the State General Fund. With the SHARE system now fully operational, all outstanding balances will be reviewed and processed on a timely basis.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**07-04 SHARE - Journal Entries**

**Condition**

A large amount of journal entries were generated and posted to the general ledger in order to correct accounting data within the SHARE accounting system. A number of material correcting journal entries were generated and posted into the SHARE system *after* the end of the fiscal year.

**Criteria**

Information and communication is a critical component of an effective internal control system. When information technology is relied upon to initiate, record, process, and report financial transactions, the quality of system-generated information must be complete and accurate because it affects management's ability to make appropriate decisions in controlling the entity's activities, prepare reliable financial statements, and adhere to state and federal compliance requirements.

**Cause**

**Payroll Module**

In preparation for conversion to the SHARE accounting system on July 1, 2006, data was prepared and verified by agency personnel months before actual conversion. When the data was finally converted into the SHARE accounting system, the data was stale. This resulted in correcting journal entries for payroll.

Since the implementation of the SHARE system and for every subsequent payroll period since, significant errors in the allocation of payroll expenses and liabilities to accounts, funds, and projects have occurred requiring a significant number of correcting journal entries.

**General Ledger Module**

Due to the Department's inability to generate adequate reporting throughout the fiscal year and the lack of cash confirmations from the State Treasurer's Office, errors generally discovered throughout the various accounting cycles could not be detected. This resulted in a significant number of correcting journal entries for all cycles throughout the year and after year-end.

As a result of the items noted above, it was impossible for the agency to record transactions timely, completely, and accurately or to maintain a functioning budgetary control system.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**07-04 SHARE - Journal Entries (Continued)**

**Effect**

The Department's ability to effectively manage its operations in order to meet its mission, goals, objectives, statutory mandates and compliance requirements was impaired. The Department was unable to meet its financial reporting objectives and obligations on a timely basis. In addition, its ability to safeguard its assets was also seriously impaired. Finally, the risk that errors or fraud could go undetected was significantly increased.

**Recommendation**

We recommend that the agency continue to work with the SHARE team to ensure that all information system issues have been addressed and that accounting information generated by the SHARE system is reliable in order to mitigate the necessity to post correcting journal entries in large quantities.

**Management Response**

The Department experienced some difficulties during the conversion of accounting data from the Central Accounting System to SHARE. Some inaccuracies were discovered in the way the system was processing various functions. The Department responded to the challenges by continually reviewing and reconciling the accounting records throughout the fiscal year. Journal entries were processed during and after the fiscal year when it was determined to be appropriate and necessary. With the accounting system now fully operational and procedural processes in place, care will be taken to ensure that journal entries are kept to a minimum.



**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**07-05 SHARE - Verification and Reconciliation of Agency Interest in the State Investment Pool (Agency Cash Balances)**

**Condition**

From the time of SHARE implementation in July 2006, and as of the fiscal year-end, June 30, 2007, no verifications and reconciliations had been conducted between the Department's general ledger cash account balances (The Department's interest in the State Investment Pool) and the balances maintained by the State Treasurer's Office. The Department attempted to compensate for the lack of reports and confirmations through internal processes and procedures; however, the compensating procedures were not sufficient to overcome the deficiency in internal controls

**Criteria**

Effective internal control policies and procedures require timely and accurate verifications and reconciliations of cash balances between the Department's general ledger cash accounts and the balances per the State Treasurer's Office. This is necessary in order to ensure cash transactions are completely and accurately recorded in the general ledger.

**Cause**

As of June 30, 2007, the Department had not received monthly reports or balance confirmations of the agency's interest in the State Investment Pool (cash balances); therefore, reconciliations between the Department balances and the State Treasurer's Office balances could not be conducted.

**Effect**

There is a significant risk that errors or fraud could go undetected.

**Recommendation**

We recommend that the Department work with the State Treasurer's Office to ensure that reports and confirmations are received monthly in order to maintain effective internal controls over cash transactions

**Management Response**

The Department concurs with the auditor finding that a reconciliation between DFA's general ledger cash account balances and the balances maintained by the State Treasurer's Office was not made, timely. To correct this deficiency an accounting firm was hired to help the Department complete the reconciliation between the general ledger and the State Treasurer's account. Final reconciliations were completed on December 13, 2007.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**07-06 SHARE - Monitoring**

**Condition**

Accounting reports are critical to the Department's ability to monitor the effectiveness of its internal control structure were not generated during some periods of the fiscal year ended June 30, 2007. These reports include trial balances; revenues and expenditures reports; fund balance sheets; budget to actual reports; and federal grants expenditures reports. The Department staff had to develop manual tracking spreadsheets and other techniques to help compensate for the lack of accurate reports.

**Criteria**

Monitoring is a critical component of an effective internal control system. Monitoring is a process that assesses the quality of internal control performance over time. It involves assessing the design and operation of controls on a timely basis and taking necessary corrective actions. In order to accomplish that assessment, management must have the ability to produce and analyze accurate accounting reports on a timely basis.

**Cause**

The Department did not possess the ability to extract accurate accounting reports from the SHARE accounting system until after the end of the fiscal year because the reporting function capability within the SHARE system was not completely operable until the fiscal year beginning July 1, 2007.

**Effect:**

The Department had difficulty monitoring the effectiveness of its controls and, as such, could not take corrective actions as necessary. This inability increased the risk of erroneous financial information on an interim basis and at year-end. In addition, the risk of undetected fraud was increased. The agency's ability to safeguard its assets was impaired. Finally, the Department could not meet its financial reporting objectives and obligations on a timely basis.

**Recommendation:**

After the end of the fiscal year, the reporting function capability within the SHARE system became operable; however, a number of the reports are inaccurate and require refinement. We recommend that the Department continue to generate reports as they become available and/or refined within the various SHARE modules and utilize those reports to monitor the effectiveness of its internal control structure and to take corrective actions as necessary on a timely basis.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**07-06 SHARE – Monitoring (Continued)**

**Management Response**

During the SHARE implementation period, reports were being designed, tested and revised to suit the needs of many different users. This process occasionally affected the availability of certain reports. To continue to effectively monitor the activity of the Department, the ASD staff developed several reports to provide the information to management. These reports included Purchase Order Activity, Budget Status by Department, Payroll by Department and others.

The information for these reports however was not tracked manually but rather obtained from the activity in the SHARE system through the use of queries and online information.

The Department continues to utilize the reporting capabilities of the SHARE system while also compiling information from the system into schedules for Department's specific use. The flexibility and vast data processing capabilities of the system allow for complete customization of the information.

**STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2007**

**C. SINGLE AUDIT FINDINGS**

**07-07 Procurement and Suspension and Debarment**

**Community Development Block Grant CFDA #14.228**

**Questioned Cost - None**

**Condition**

While performing compliance test work we noticed three instances where sub-grantee documentation did not include verification that sub-recipient/contractors were not on the list of suspended or debarred parties.

**Criteria**

“When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (§\_\_300)..” (A-133). The Department documents this by including a “clearance form” in each sub-grantee file that is completed when it is verified that the sub-grantee is not suspended or debarred.

**Cause**

A review system is not in place to ensure that all of the required documents are in the sub-grantee files.

**Effect**

Amounts could have been awarded to sub-grantees that were suspended or debarred.

**Recommendation**

We recommend that The Department develop a better monitoring system to ensure that all required documentation is included in the sub-grantee files and is complete.

**Management Response**

DFA Local Government Division (LGD) Community Development Bureau (CDB) Program Managers have established a checklist that will be included in every sub-grantee’s file. This checklist incorporates verification of contractor clearance forms. These contractor clearance forms certify that the contractors used on the project are not in suspended or debarred status. The contractor clearance forms are included in the Implementation Manual (Exhibit 4-F) provided to each sub-grantee, and will be discussed at the annual Implementation Workshops. In addition, during the monitoring visits the CDB Program Managers will perform a thorough review of the sub grantees documentation to ensure that the contractor clearance forms are completed in their entirety and validated for accuracy.

STATE OF NEW MEXICO  
DEPARTMENT OF FINANCE AND ADMINISTRATION

Exit Conference

June 30, 2007

The contents of the report were discussed at an exit conference held on December 11, 2007 with the following in attendance:

**Department of Finance and Administration**

Katherine B. Miller, Secretary  
Rick Martinez, Deputy Secretary  
Debra Griego, Director Administrative Services  
Donna M. Trujillo, Chief Financial Officer

**Moss Adams LLP**

Scott Eliason, Partner  
Sean Anuskewicz, Senior Manager  
Maria Fidalgo, Senior Accountant