

**STATE OF NEW MEXICO**  
**GENERAL SERVICES**  
**DEPARTMENT**  
**Financial Statements**  
**for the Year Ended**  
**June 30, 2010,**  
**and Independent**  
**Auditors' Report**

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

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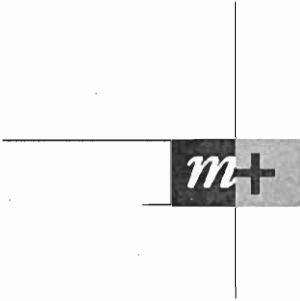
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STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Official Roster

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Year Ended June 30, 2010

**Office of the Secretary**

**Title**

Arturo L. Jaramillo  
Pamelya Herndon  
Porfirio Perez, Jr.  
Robert Andermann

Cabinet Secretary  
Deputy Cabinet Secretary  
Acting Deputy Cabinet Secretary  
Chief Financial Officer

**Division Directors**

Karen Baltzley  
Robert Andermann  
Mike Wilson  
David Simpson  
Bill Taylor  
Michael C. Vinyard  
James Chavez, Acting Director

Information Services Division  
Administrative Services Division  
Risk Management Division  
Building Services Division  
Property Control Division  
Purchasing Division  
Transportation Services Division

## INDEPENDENT AUDITORS' REPORT

Mr. Arturo L. Jaramillo, Secretary  
State of New Mexico  
General Services Department, and  
Mr. Hector H. Balderas  
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information and the budgetary comparison for the general fund of the State of New Mexico General Services Department (Department) as of and for the year ended June 30, 2010, 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 non-major governmental funds, non-major enterprise funds, fiduciary funds and the budgetary comparisons for the major capital project and enterprise funds and non-major governmental and enterprise funds, presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. 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.





Mr. Arturo L. Jaramillo, Secretary  
State of New Mexico  
General Services Department, and  
Mr. Hector H. Balderas  
New Mexico State Auditor

As discussed in Note 1 to the financial statements, the financial statements of the Department are intended to present the respective financial position and the changes in financial position and cash flows, where applicable, of only that portion of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Department that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the entire State of New Mexico as of June 30, 2010, and the changes in its financial position and its cash flows, where applicable, thereof 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, the business-type activities, each major fund and the aggregate remaining fund information of the Department as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund, non-major enterprise and fiduciary fund of the Department as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the major capital project and enterprise funds and the non-major governmental and enterprise 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 10, 2010, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mr. Arturo L. Jaramillo, Secretary  
State of New Mexico  
General Services Department, and  
Mr. Hector H. Balderas  
New Mexico State Auditor

The Management's Discussion and Analysis on pages 5 through 11 is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and the individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. 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 basic financial statements. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of 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.

*Meyers + Company, LLC*

December 10, 2010

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Management's Discussion and Analysis  
Year Ended June 30, 2010**

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The Management's Discussion and Analysis (MD&A) of the State of New Mexico General Services Department (Department) explains the Department's financial statements and gives our summary of the Department's finances for the fiscal year ended June 30, 2010. We ask that it be read together with the financial statements, which follow it.

**Overview of the Financial Statements**

The Department's financial statements comply with the new Government Accounting Standards Board Statement No. 34 (GASB 34) financial Reporting Standard. They include the Basic Financial Statements (BFS) and Required Supplementary Information (RSI). The BFS consist of the Government-Wide Financial Statements, Fund Financial Statements and the Notes to the Financial Statements.

**Government-Wide Financial Statements**

The government-wide financial statements consist of a statement of net assets and a statement of activities. These statements cover all of the financial activities and resources of the Department as a whole, except fiduciary activities. Fiduciary activities are not included because the resources do not belong to the Department. The government-wide financial statements report the Department's governmental and business-type activities. Governmental activities are the activities financed by a general revenue appropriation, bonds or state and federal grant. Business-type activities are activities operated like a business. These activities provide goods or services for a fee on a cost reimbursement basis (i.e., are self-supporting).

**The Statement of Net Assets** reports what the Department owned (assets) and owed (liabilities) at June 30, 2010. Net assets are what will remain after all liabilities are paid off. Net assets legally limited to a particular use are reported as restricted. Unrestricted net assets are assets that can be used for any of the Department's purposes in future years.

**The Statement of Activities** reports the costs (expenses) of providing support services to other state agencies and local governments and the revenues obtained to finance them. The first column of the statement reports the Department's governmental and business-type activities by program. A program is a grouping of similar activities. For example, Program Support includes the support activities of the Office of the Secretary and the Administrative Services Division (which also operates the state's Inter-agency Mail Service). The second column lists each program's expenses. The next set of columns report program revenues (revenues earned by the programs themselves). The last three columns are obtained by subtracting program revenues from program expenses. They show the amounts by which programs covered their own costs with user fees, bond proceeds and grants. The bottom half of the statement shows the money appropriated and transferred to the Department from the State General Fund and other general revenues used to finance services.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Management's Discussion and Analysis - continued  
Year Ended June 30, 2010

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## Fund Financial Statements

The fund financial statements follow the government-wide financial statements. They provide more detail about the Department's major funds (as defined by GASB 34, the most material governmental and business-type funds, not the Department as a whole). Smaller funds (labeled non-major) are combined and reported in total under the other funds column. The financial details pertaining to these smaller funds are reported in the combining financial statements located in the supplemental schedules.

Funds are a method of accounting used by the Department to keep track of specific revenue sources and expenditures for separate functions. Some funds are required by state law and by bond provisions. Management established other funds to control and manage money for particular purposes or to show that it is properly using certain financial resources. The Department uses three types of funds to account for its service activities.

### ➤ Governmental Funds

The focus of governmental funds is short-term. They report only current assets (cash, accounts receivable, etc.), current liabilities and financial resources that flowed in and out of the Department during the year. They are the governmental activities reported in the government-wide financial statements. The Department uses three types of governmental funds:

- **General Fund** is used to account for services funded by general revenue appropriations not accounted for in other funds.
- **Special Revenue Funds** are used to give an accounting of the use of resources legally restricted for specific uses. For example, the Procurement Assistance federal and state grant must be used to educate New Mexico businesses on how to do business with state, federal and local governments.
- **Capital Project Funds** are used to track appropriations to the Department to build, acquire, renovate and improve state-owned buildings and land.

### ➤ Proprietary Funds

Proprietary funds are used to report the Department's service activities that charge customers a fee. Most of the Department's services are included in proprietary funds. Like the government-wide financial statements, they report all assets (including capital assets), liabilities (short- and long-term), revenues, expenses, gains and loss. They report the services included in the business-type activities in the government-wide financial statements. The Department uses one kind of proprietary fund, **Enterprise Funds**, to account for services provided to external customers.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Management's Discussion and Analysis - continued  
Year Ended June 30, 2010

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**Fund Financial Statements - continued**

➤ **Fiduciary Funds**

Fiduciary funds are used to account for resources the Department holds for others. The Department uses one kind of fiduciary fund, **Agency Funds**, to hold medical insurance premiums collected from other state agencies and other public bodies until the premiums are remitted to the insurance carriers. The Department is responsible for seeing that the assets in these funds are spent for their intended purpose. The finances of these funds are reported in a separate statement of fiduciary net assets. The resources of these funds are excluded from the government-wide financial statements because they cannot be used to finance the Department's operations.

**Budgetary Comparisons**

In addition to the MD&A, GASB 34 requires budgetary comparison schedules for the general fund and for each major special revenue fund that has a legally adopted annual budget to be presented as Required Supplementary Information (RSI). The budgetary comparison schedules should present both the original and the final appropriated budgets for the reporting period, as well as the actual inflows, outflows and balances, stated on the government's budgetary basis.

As required by the Office of the State Auditor under 2.2.2 NMAC (the "Audit Rule"), the Statements of Revenues and Expenditures – Budget and Actual are also presented. This information is provided at the approved budget level to demonstrate compliance with legally authorized appropriations.

**Notes to the Financial Statements**

The notes to the financial statements consist of narratives and explanatory financial schedules that provide information that is essential to a user's understanding of the basic financial statements.

**Financial Analysis of the Department as a Whole**

**Net Assets:** Table A-1 summarizes the Department's net assets for the fiscal year ending June 30, 2010. Total Department net assets for fiscal year 2010 were \$495,242,982. The negative unrestricted balance is the result of the large deficit net assets of the risk funds offsetting the positive amounts of capital assets. It should be noted that the risk fund amounts shown reflect actuarially estimated losses from claims incurred that the affected fund(s) would need to pay using the fund's June 30, 2010 asset balance. Such reporting is required by GASB 10. The New Mexico Risk Management Advisory Board recommends maintaining the asset balances at a minimum of at least 50 percent of the actuarially estimated losses. Therefore, any fund amount that has less than 100 percent in assets to pay its estimated incurred losses, and other liabilities, will show a deficit net asset balance. As a result of the recording of actuarially estimated losses from claims, the following risk funds have negative fund balances:

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Management's Discussion and Analysis - continued  
Year Ended June 30, 2010**

**Financial Analysis of the Department as a Whole - continued**

Public Liability Fund	\$	(38,455,524)
Workers' Compensation Retention	\$	(23,982,920)
State Unemployment Compensation	\$	(1,118,406)

The larger part of the Department's restricted net assets (91%) represent payments that are restricted for insurance claims. They represent insurance premiums and contributions collected from other state agencies, local public bodies and employees that can only be spent to insure these entities and their employees against loss.

The \$210,141,482 deficit of unrestricted net assets indicates there are not sufficient resources on hand to pay claims against the state in future years. The decrease in unrestricted net assets in 2010 is a result of the Department's investment in capital assets, which caused an overall increase to net assets of \$75,519,907.

**Table A-1  
The Department's Net Assets**

		<u>FY2010</u>	<u>FY2009</u>	<u>Percent Change</u>
<b>Assets:</b>				
Current and Other Assets	\$	<b>191,935,059</b>	210,409,173	-9%
Capital Assets		<u><b>510,018,519</b></u>	<u>418,237,505</u>	22%
<b>Total Assets</b>		<b>701,953,578</b>	628,646,678	12%
<b>Liabilities:</b>				
Current Liabilities		<b>104,139,750</b>	107,956,902	-4%
Long term Obligations		<u><b>102,570,846</b></u>	<u>100,966,701</u>	2%
<b>Total Liabilities</b>		<b>206,710,596</b>	208,923,603	-1%
<b>Net Assets:</b>				
Invested in Capital Assets		<b>510,018,519</b>	418,237,505	22%
Restricted		<b>195,365,945</b>	204,057,848	-4%
Unrestricted		<u><b>(210,141,482)</b></u>	<u>(202,572,278)</u>	4%
<b>Total Net Assets</b>	\$	<u><b>495,242,982</b></u>	<u>419,723,075</u>	18%

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Management's Discussion and Analysis - continued  
Year Ended June 30, 2010**

**Financial Analysis of the Department as a Whole - continued**

**Changes in Net Assets:** The Department's change in net assets for fiscal year FY10 was an increase of \$26,521,415 (Table A-2). The change is the difference between total program revenues, general revenues and the total cost of all programs and services. The increase indicates the Department's financial position as a whole has improved from the previous fiscal year, primarily because the Department's executive management has been particularly focused on the actuarial soundness of funds. Additionally, the Department's leadership and staff strategically and progressively improved the efficiency of financial and program operations.

A major portion of the Department's revenues came from program revenues. Approximately 85% of total revenues came from service fees and insurance premiums collected from all state agencies, participating local public bodies and their employees. Only 13% of the Department's revenues came from general revenue appropriations, taxes and other general revenues.

Of the total cost of all programs and services of \$466,466,525, 74% of this amount, or \$343,882,604, is for group health and disability, dental, vision, long-term care and life insurance premiums paid to insurance companies on behalf of employees, former employees and retirees. \$70,158,836, or 15%, of the total cost pertains to public liability administration and claims payments.

**Table A-2  
Changes in the Department's Net Assets**

	<u>FY2010</u>	<u>FY2009</u>	<u>Percent Change</u>
<b>Revenue:</b>			
<b>Program Revenues:</b>			
Capital Grants and Contributions	\$ 1,141,363	-	100%
Charges for Services	11,724,478	12,321,868	-5%
Risk Management	<u>417,749,001</u>	<u>428,142,645</u>	-2%
Total Program Revenues	430,614,842	440,464,513	-2%
General Revenues	<u>62,373,098</u>	<u>56,181,135</u>	11%
<b>Total Revenue</b>	<b>492,987,940</b>	496,645,648	-.7%
<b>Expenses:</b>			
Employee Group Benefits	343,882,604	330,641,079	4%
Risk Management	70,158,836	38,757,393	81%
Other Expenses	<u>52,425,085</u>	<u>53,520,616</u>	-2%
<b>Total Expenses</b>	<b>466,466,525</b>	<b>422,919,088</b>	10%
<b>Increase in Net Assets</b>	\$ <u>26,521,415</u>	<u>73,726,560</u>	-64%

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Management's Discussion and Analysis - continued  
Year Ended June 30, 2010

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**Financial Analysis of the Department as a Whole - continued**

**Governmental Activities:** Revenues of governmental activities increased to \$65,014,697. This increase was largely due to federal American Reinvestment and Recovery Act (ARRA) revenue of \$1,141,363 that was new to the Department. In addition, the Department recognized a net transfer of capital assets from other state agencies of \$7,210,441.

The cost of all governmental activities this year increased to \$31,223,117. This increase was due to additional capital projects activity during the current year.

**Business-type Activities:** The cost of all business-type activities was \$435,243,408. Those who benefited from the services funded 100% of the cost.

**Financial Analysis of the Department's Funds**

**Governmental Funds:** Combined revenues and net financing sources from governmental fund types totaled \$69,476,327, an increase of 14% from the preceding year.

Expenditures from governmental funds totaled \$79,563,734, a decrease of 20% from fiscal year 2009. The decrease in total governmental expenditures is due to a decrease in capital project activity during the current year.

**Proprietary Funds:** Operating revenues and net non-operating revenues of the Department's business-type activities decreased 2% from the previous year to \$427,973,243. The decrease in revenues was due to a decrease in premiums for risk liability funds.

Expenses increased 11% to \$435,243,408. The increase occurred primarily because of increases to claims paid for the risk liability funds.

**Budget Comparisons**

**General Fund:** For FY10, total actual revenues of \$16,192,700 were equal to budgeted revenues. Total expenditures were \$1,829,460 under budget due to proper budgeting by the Department throughout the year.



**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Management's Discussion and Analysis - continued  
Year Ended June 30, 2010**

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**Capital Assets and Debt Management**

**Capital Assets:** The Department's investment in capital assets increased by \$91,781,014 in 2010 (Note 4), primarily due to increased activity in capital projects.

**Long-term Debt:** The Department does not hold any long-term debt but does hold long-term liabilities consisting of compensated absences payable and claims payable of \$102,570,846.

**Items Affecting the Department's Future**

The Department's management believes that its future financial position could be affected by the following trends or events:

**Rates for Services:** The Department's business-type activities, as measured by the Statement of Revenues, Expenses and Changes in Net Assets for the major enterprise funds- Public Liability, Worker's Compensation Retention, State Transportation Pool, Group Insurance Premium Stabilization and Other Enterprise Funds, show that three of the five funds have an operating loss. This indicates that the service rates as developed with the current methods are not sufficient to recover actual costs of the programs.

The largest loss was in Other Enterprise Funds, which is a combination of ten other non-major enterprise funds. Rate adjustments and reallocation of costs, which are currently in process, will help eliminate these losses.

The Risk Management Advisory Board recommends that all Risk Management funds maintain 50 percent soundness (Assets/Estimated Outstanding Losses). The risk public liability fund based on total assets of \$62,510,227 and estimated outstanding losses and other liabilities of \$100,965,751 shows the public liability fund to be 62 percent sound.

**General 2010:** The Department plans to implement a new capital assets software application developed as collaboration between the General Services Department and the Health and Human Services Department. The fixed asset software will create a more user friendly software application for managing capital assets as the Department awaits the implementation of the capital assets module in the SHARE system expected to occur in late Spring 2011. In addition, the Department has purchased a patch for the aging GEAC accounting system that will provide stability to the aging accounts receivable component of GEAC as the Department continues to explore purchasing a new Accounts Receivable system.

**FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Statement of Net Assets**

**AS OF JUNE 30, 2010**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Investment in the State General Fund			
Investment Pool	\$ 32,416,935	154,572,515	186,989,450
Receivables:			
Interest receivable	2,746	21,430	24,176
Accounts/trade receivable	-	3,373,925	3,373,925
Allowance for doubtful accounts	-	(2,585,432)	(2,585,432)
Due from (to) other funds	-	-	-
Due from other agencies	3,561,217	-	3,561,217
Other assets	334	1,473	1,807
Inventories	<u>230,316</u>	<u>339,600</u>	<u>569,916</u>
<b>TOTAL CURRENT ASSETS</b>	<b>36,211,548</b>	<b>155,723,511</b>	<b>191,935,059</b>
<b>NON-CURRENT ASSETS:</b>			
Capital assets	876,400,689	40,215,285	916,615,974
Less: accumulated depreciation	<u>(378,852,336)</u>	<u>(27,745,119)</u>	<u>(406,597,455)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<b><u>497,548,353</u></b>	<b><u>12,470,166</u></b>	<b><u>510,018,519</u></b>
<b>TOTAL ASSETS</b>	<b>\$ <u>533,759,901</u></b>	<b><u>168,193,677</u></b>	<b><u>701,953,578</u></b>

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Statement of Net Assets - continued**

**AS OF JUNE 30, 2010**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Bank overdraft	\$ 1,832,065	286,319	2,118,384
Claims payable	-	75,218,053	75,218,053
Accounts payable	4,521,673	17,862,322	22,383,995
Deferred revenue	544,179	-	544,179
Accrued payroll	402,888	501,875	904,763
Due to State General Fund	2,197,156	-	2,197,156
Due to other agencies	-	9,801	9,801
Accrued compensated absences	<u>316,855</u>	<u>446,564</u>	<u>763,419</u>
<b>TOTAL CURRENT LIABILITIES</b>	9,814,816	94,324,934	104,139,750
<b>LONG-TERM LIABILITIES:</b>			
Claims payable	-	102,502,272	102,502,272
Compensated absences payable	<u>27,514</u>	<u>41,060</u>	<u>68,574</u>
<b>TOTAL LIABILITIES</b>	9,842,330	196,868,266	206,710,596
<b>NET ASSETS:</b>			
Invested in capital assets	497,548,353	12,470,166	510,018,519
Restricted for:			
Insurance/claims	-	177,720,325	177,720,325
Capital projects	17,645,620	-	17,645,620
Unrestricted	<u>8,723,598</u>	<u>(218,865,080)</u>	<u>(210,141,482)</u>
<b>TOTAL NET ASSETS</b>	<u>523,917,571</u>	<u>(28,674,589)</u>	<u>495,242,982</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 533,759,901</u>	<u>168,193,677</u>	<u>701,953,578</u>

YEAR ENDED JUNE 30, 2010

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
Program support	\$ 8,625,651	998,207	-	-
Procurement services	3,149,033	-	-	-
Business office space management/maintenance	68,543	-	-	-
Capital projects	<u>19,379,890</u>	<u>-</u>	<u>-</u>	<u>1,141,363</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>31,223,117</b>	<b>998,207</b>	<b>-</b>	<b>1,141,363</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Program support	10,349,891	950,256	-	-
Risk management	70,158,836	67,691,132	-	-
Employee group benefits	343,882,604	350,057,869	-	-
Transportation services	<u>10,852,077</u>	<u>9,776,015</u>	<u>-</u>	<u>-</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>435,243,408</u></b>	<b><u>428,475,272</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL</b>	<b>\$ <u>466,466,525</u></b>	<b><u>429,473,479</u></b>	<b><u>-</u></b>	<b><u>1,141,363</u></b>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Activities

	<u>Net (Expenses) Revenue and Changes in Net Assets</u>		
	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
\$	(7,627,444)	-	(7,627,444)
	(3,149,033)	-	(3,149,033)
	(68,543)	-	(68,543)
	<u>(18,238,527)</u>	<u>-</u>	<u>(18,238,527)</u>
	(29,083,547)	-	(29,083,547)
	-	(9,399,635)	(9,399,635)
	-	(2,467,704)	(2,467,704)
	-	6,175,265	6,175,265
	<u>-</u>	<u>(1,076,062)</u>	<u>(1,076,062)</u>
	<u>-</u>	<u>(6,768,136)</u>	<u>(6,768,136)</u>
	<u>(29,083,547)</u>	<u>(6,768,136)</u>	<u>(35,851,683)</u>
<b>GENERAL REVENUES:</b>			
Transfers:			
Intra-agency transfers	(178,900)	178,900	-
Severance tax bond proceeds	57,120,313	-	57,120,313
Appropriations - General Fund	16,192,700	-	16,192,700
Reversions - General Fund	(11,621,865)	-	(11,621,865)
Other State agency transfers, net	5,790,032	(877,000)	4,913,032
Transfers - capital asset, net	7,210,441	-	7,210,441
Interest income	25,248	222,845	248,093
Gain (loss) on disposal	(11,672,071)	(26,774)	(11,698,845)
Other miscellaneous revenue	<u>9,229</u>	<u>-</u>	<u>9,229</u>
<b>TOTAL GENERAL REVENUES</b>	<u>62,875,127</u>	<u>(502,029)</u>	<u>62,373,098</u>
<b>CHANGE IN NET ASSETS</b>	33,791,580	(7,270,165)	26,521,415
<b>BEGINNING NET ASSETS</b>	441,127,499	(21,404,424)	419,723,075
<b>RESTATEMENT</b>	<u>48,998,492</u>	<u>-</u>	<u>48,998,492</u>
<b>BEGINNING NET ASSETS, restated</b>	<u>490,125,991</u>	<u>(21,404,424)</u>	<u>468,721,567</u>
<b>ENDING NET ASSETS</b>	\$ <u>523,917,571</u>	<u>(28,674,589)</u>	<u>495,242,982</u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Balance Sheet - Governmental Funds

AS OF JUNE 30, 2010

	Major Funds			Other Governmental Funds	Total Governmental
	General Fund	Capital Buildings Repair Fund	Laws of 2006		
<b>ASSETS:</b>					
Investment in the State General Fund Investment Pool	\$ 4,458,501	15,413,715	-	12,544,719	32,416,935
Receivables:					
Interest	-	2,271	-	475	2,746
Due from other funds	-	-	-	-	-
Due from other agencies	-	-	3,369,463	191,754	3,561,217
Other assets	334	-	-	-	334
Inventories	<u>230,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,316</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>4,689,151</u></b>	<b><u>15,415,986</u></b>	<b><u>3,369,463</u></b>	<b><u>12,736,948</u></b>	<b><u>36,211,548</u></b>
<b>LIABILITIES:</b>					
Bank overdraft	\$ -	-	1,690,720	141,345	1,832,065
Accounts payable	684,926	96,314	1,607,647	2,132,786	4,521,673
Deferred revenue	-	-	-	544,179	544,179
Accrued payroll	385,800	-	-	17,088	402,888
Due to other funds	-	-	-	-	-
Due to State General Fund	2,057,350	-	109,274	30,532	2,197,156
Due to other agencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b><u>3,128,076</u></b>	<b><u>96,314</u></b>	<b><u>3,407,641</u></b>	<b><u>2,865,930</u></b>	<b><u>9,497,961</u></b>
<b>FUND BALANCE (DEFICIT):</b>					
Reserved for:					
Inventories	230,316	-	-	-	230,316
Capital projects	-	15,319,672	(38,178)	2,364,126	17,645,620
Unreserved, reported in:					
General fund	1,330,759	-	-	-	1,330,759
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,506,892</u>	<u>7,506,892</u>
<b>TOTAL FUND BALANCES</b>	<b><u>1,561,075</u></b>	<b><u>15,319,672</u></b>	<b><u>(38,178)</u></b>	<b><u>9,871,018</u></b>	<b><u>26,713,587</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>4,689,151</u></b>	<b><u>15,415,986</u></b>	<b><u>3,369,463</u></b>	<b><u>12,736,948</u></b>	<b><u>36,211,548</u></b>

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Assets**

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**AS OF JUNE 30, 2010**

**TOTAL FUND BALANCE - GOVERNMENTAL FUNDS  
(GOVERNMENTAL FUND BALANCE SHEET):**

**\$ 26,713,587**

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.

The cost of capital assets is	876,400,689
Accumulated depreciation is	<u>(378,852,336)</u>
Total capital assets	497,548,353

Long-term and certain other liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(344,369)

**NET ASSETS OF GOVERNMENTAL ACTIVITIES -  
(STATEMENT OF NET ASSETS)**

**\$ 523,917,571**



STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Governmental Funds

YEAR ENDED JUNE 30, 2010

	Major Funds				Total Governmental
	General Fund	Capital Buildings Repair Fund	Laws of 2006	Other Governmental Funds	
<b>REVENUES:</b>					
Service fees/premiums	-	552,743	-	445,464	998,207
Federal funds	-	-	-	1,141,363	1,141,363
Interest income	-	20,787	-	4,461	25,248
Other	-	-	-	9,229	9,229
<b>TOTAL REVENUES</b>	-	573,530	-	1,600,517	2,174,047
<b>EXPENDITURES:</b>					
Current expenditures:					
Personnel services	5,964,440	-	-	257,243	6,221,683
Employee benefits	2,307,799	-	-	118,950	2,426,749
In-state travel	5,244	-	-	3,952	9,196
Out-of-state travel	-	-	-	-	-
Maintenance and repairs	2,276,359	536,305	1,995,800	174,392	4,982,856
Supplies	183,174	-	-	19,927	203,101
Contractual services	299,000	-	-	131,668	430,668
Operating costs	3,148,538	-	-	495	3,149,033
Other costs	-	-	-	59,347	59,347
Capital outlay	15,986	4,571,063	39,180,175	18,313,877	62,081,101
<b>TOTAL EXPENDITURES</b>	14,200,540	5,107,368	41,175,975	19,079,851	79,563,734
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(14,200,540)	(4,533,838)	(41,175,975)	(17,479,334)	(77,389,687)
<b>OTHER FINANCING SOURCES (USES):</b>					
Severance tax bond proceeds	-	-	50,244,213	6,876,100	57,120,313
Intra-agency transfer	(162,700)	(39,220)	(443,236)	466,256	(178,900)
Transfers:					
General and special appropriations	16,192,700	-	-	-	16,192,700
Reversions to State General Fund	(2,057,349)	-	(8,899,180)	(665,336)	(11,621,865)
Other State agency transfers, net	-	5,048,217	236,000	505,815	5,790,032
<b>NET OTHER FINANCING SOURCES (USES)</b>	13,972,651	5,008,997	41,137,797	7,182,835	67,302,280
<b>NET CHANGE IN FUND BALANCES</b>	(227,889)	475,159	(38,178)	(10,296,499)	(10,087,407)
<b>BEGINNING FUND BALANCES</b>	1,788,964	14,844,513	-	20,167,517	36,800,994
<b>ENDING FUND BALANCES</b>	\$ 1,561,075	15,319,672	(38,178)	9,871,018	26,713,587

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Governmental Funds  
to the Statement of Activities

YEAR ENDED JUNE 30, 2010

**NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS**  
**(STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES)**

\$ (10,087,407)

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

In the Statement of Activities, certain operating expenses - compensated absences (sick and annual leave) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The decrease in the liabilities for the fiscal year was:

22,781

In the Statement of Activities transfers in/out for capital assets from other state agencies are recorded, however because general capital assets are not capitalized in governmental funds there is no effect to those funds. In the current period, these amounts were:

Transfer in	7,293,847
Transfer out	<u>(83,406)</u>

Net transfers of capital assets

7,210,441

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts were:

Capital outlay	62,081,101
Depreciation expense	<u>(13,763,265)</u>

Excess of depreciation expense over capital outlay

48,317,836

The Statement of activities reports the loss on the sale of equipment, while the the Statement of Revenues, Expenditures and Changes in Fund Balance reports the proceeds. The reconciling amount is the difference:

(11,672,071)

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES**  
**(STATEMENT OF ACTIVITIES)**

\$ 33,791,580

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Major Governmental Fund -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	GENERAL FUND - TOTAL			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Land rental	-	-	-	-
Severance tax bond proceeds	-	-	-	-
Appropriations	16,192,700	16,192,700	16,192,700	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
<b>TOTAL REVENUE</b>	16,192,700	16,192,700	16,192,700	-
<b>FUND BALANCE</b>	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE BUDGETED</b>	\$ <u>16,192,700</u>	<u>16,192,700</u>		
<b>EXPENDITURES:</b>				
Personal services and employee benefits	\$ 8,921,200	8,921,200	8,272,239	648,961
Contractual services	451,800	451,800	299,000	152,800
Other	6,586,700	6,586,700	5,629,301	957,399
Other financing uses	<u>233,000</u>	<u>233,000</u>	<u>162,700</u>	<u>70,300</u>
<b>TOTAL EXPENDITURES</b>	\$ <u>16,192,700</u>	<u>16,192,700</u>	<u>14,363,240</u>	<u>1,829,460</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES (USES)</b>			1,829,460	
<b>NON-BUDGETED RECONCILING ITEMS</b>				
Reversions to State General Fund			<u>(2,057,349)</u>	
<b>NET CHANGE IN FUND BALANCE</b>			(227,889)	
<b>FUND BALANCE, JULY 1, 2009</b>			<u>1,788,964</u>	
<b>FUND BALANCE, JUNE 30, 2010</b>			\$ <u>1,561,075</u>	

**AS OF JUNE 30, 2010**

		<b>35700</b>	<b>35900</b>
		<b>Public</b>	<b>Workers'</b>
		<b>Liability</b>	<b>Compensation</b>
		<u>                    </u>	<u>                    </u>
<b>ASSETS:</b>			
Current assets:			
Investment in the			
State General Fund Investment Pool	\$	62,499,108	10,717,021
Receivables:			
Interest receivable		9,394	1,440
Accounts/trade receivable		638,773	888,762
Allowance for doubtful accounts		(638,773)	(888,762)
Due from other funds		1,725	-
Due from other agencies		-	-
Other assets		-	-
Inventories		<u>-</u>	<u>-</u>
Total current assets		62,510,227	10,718,461
Non-current assets:			
Capital assets		-	-
Accumulated depreciation		<u>-</u>	<u>-</u>
Total non-current assets		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>62,510,227</u></b>	<b><u>10,718,461</u></b>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Net Assets - Enterprise Funds

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
5,410,291	59,168,323	16,777,772	154,572,515
-	7,985	2,611	21,430
763,610	-	1,082,780	3,373,925
(90,494)	-	(967,403)	(2,585,432)
1,612	-	2,400	5,737
-	-	-	-
1,226	-	247	1,473
<u>-</u>	<u>-</u>	<u>339,600</u>	<u>339,600</u>
6,086,245	59,176,308	17,238,007	155,729,248
28,711,016	-	11,504,269	40,215,285
<u>(20,031,792)</u>	<u>-</u>	<u>(7,713,327)</u>	<u>(27,745,119)</u>
<u>8,679,224</u>	<u>-</u>	<u>3,790,942</u>	<u>12,470,166</u>
<u>14,765,469</u>	<u>59,176,308</u>	<u>21,028,949</u>	<u>168,199,414</u>

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AS OF JUNE 30, 2010

		<b>35700</b>	<b>35900</b>
		<b>Public</b>	<b>Workers'</b>
		<b>Liability</b>	<b>Compensation</b>
		<u>                    </u>	<u>                    </u>
<b>LIABILITIES:</b>			
Current liabilities:			
Bank overdraft	\$	-	-
Claims payable		14,994,772	14,379,291
Accounts payable		3,388,831	440,988
Deferred revenue		-	-
Accrued payroll		-	-
Due to other funds		-	-
Due to other agencies		-	-
Accrued compensated absences		<u>-</u>	<u>-</u>
Total current liabilities		18,383,603	14,820,279
Long-term liabilities:			
Claims payable		82,582,148	19,881,102
Compensated absences payable		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b><u>100,965,751</u></b>	<b><u>34,701,381</u></b>
<b>NET ASSETS:</b>			
Invested in capital assets	\$	-	-
Restricted for:			
Insurance/claims		97,576,920	34,260,393
Unrestricted		<u>(136,032,444)</u>	<u>(58,243,313)</u>
<b>TOTAL NET ASSETS</b>		<u>(38,455,524)</u>	<u>(23,982,920)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>62,510,227</u></b>	<b><u>10,718,461</u></b>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Net Assets - Enterprise Funds - continued

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
-	-	286,319	286,319
-	37,424,239	8,419,751	75,218,053
319,462	11,797,320	1,915,721	17,862,322
-	-	-	-
61,647	-	440,228	501,875
-	-	5,737	5,737
8,416	-	1,385	9,801
<u>52,111</u>	<u>-</u>	<u>394,453</u>	<u>446,564</u>
441,636	49,221,559	11,463,594	94,330,671
-	-	39,022	102,502,272
<u>4,199</u>	<u>-</u>	<u>36,861</u>	<u>41,060</u>
<u>445,835</u>	<u>49,221,559</u>	<u>11,539,477</u>	<u>196,874,003</u>
8,679,224	-	3,790,942	12,470,166
-	37,424,239	8,458,773	177,720,325
<u>5,640,410</u>	<u>(27,469,490)</u>	<u>(2,760,243)</u>	<u>(218,865,080)</u>
<u>14,319,634</u>	<u>9,954,749</u>	<u>9,489,472</u>	<u>(28,674,589)</u>
<u>14,765,469</u>	<u>59,176,308</u>	<u>21,028,949</u>	<u>168,199,414</u>

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**YEAR ENDED JUNE 30, 2010**

	<b>35700</b>	<b>35900</b>
	<b>Public</b>	<b>Workers'</b>
	<b>Liability</b>	<b>Compensation</b>
	<u>                    </u>	<u>                    </u>
<b>OPERATING REVENUES:</b>		
Service for premiums	\$ 35,101,092	22,902,681
Federal funds	-	-
Interest income	102,445	16,382
Other revenue	<u>6,974</u>	<u>-</u>
<b>TOTAL OPERATING REVENUES</b>	<b>35,210,511</b>	<b>22,919,063</b>
<b>OPERATING EXPENSES:</b>		
Personnel services	-	-
Employee benefits	-	-
In-state travel	-	-
Out-of-state travel	-	-
Maintenance and repairs	3,516	3,516
Supplies	93,059	68,833
Contractual services	15,483,845	1,837,054
Depreciation	-	-
Operating costs	177,257	469
Other costs	<u>20,084,083</u>	<u>17,395,421</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>35,841,760</u></b>	<b><u>19,305,293</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b>(631,249)</b>	<b>3,613,770</b>



**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**  
**Statement of Revenues, Expenses and Changes  
in Net Assets - Enterprise Funds**

<b>36500 State Transportation Pool</b>	<b>75200 Group Insurance Premium Stabilization</b>	<b>Other Enterprise Funds</b>	<b>Total</b>
8,266,594	341,412,670	17,932,620	425,615,657
-	-	-	-
-	73,332	30,686	222,845
<u>389,284</u>	<u>896,327</u>	<u>1,567,030</u>	<u>2,859,615</u>
8,655,878	342,382,329	19,530,336	428,698,117
815,381	-	6,098,425	6,913,806
593,477	-	2,765,894	3,359,371
8,736	-	14,040	22,776
701	-	15,420	16,121
1,205,414	4,533	240,362	1,457,341
14,829	202,966	306,679	686,366
24,176	18,723,659	4,797,564	40,866,298
2,652,956	-	1,097,149	3,750,105
3,146,274	-	20,238,001	23,562,001
<u>256,658</u>	<u>314,272,453</u>	<u>2,600,608</u>	<u>354,609,223</u>
<u>8,718,602</u>	<u>333,203,611</u>	<u>38,174,142</u>	<u>435,243,408</u>
(6,724)	9,178,718	(18,643,806)	(6,545,291)

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**YEAR ENDED JUNE 30, 2010**

	<b>35700</b>	<b>35900</b>
	<b>Public</b>	<b>Workers'</b>
	<b>Liability</b>	<b>Compensation</b>
	<u>                    </u>	<u>                    </u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Loss on disposal of capital assets	\$ -	-
Intra-agency transfers	(4,460,200)	(1,015,000)
Transfers:		
General appropriations	-	-
Other state agency transfers	-	-
Other state funds	<u>-</u>	<u>-</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(4,460,200)</u>	<u>(1,015,000)</u>
<b>CHANGE TO NET ASSETS</b>	(5,091,449)	2,598,770
<b>BEGINNING NET ASSETS</b>	<u>(33,364,075)</u>	<u>(26,581,690)</u>
<b>ENDING NET ASSETS</b>	\$ <u><u>(38,455,524)</u></u>	<u><u>(23,982,920)</u></u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues, Expenses and Changes  
in Net Assets - Enterprise Funds - continued

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
(26,774)	-	-	(26,774)
(311,800)	(1,188,000)	7,153,900	178,900
-	-	-	-
-	-	(877,000)	(877,000)
-	-	-	-
<u>(338,574)</u>	<u>(1,188,000)</u>	<u>6,276,900</u>	<u>(724,874)</u>
(401,298)	7,990,718	(12,366,906)	(7,270,165)
<u>14,720,932</u>	<u>1,964,031</u>	<u>21,856,378</u>	<u>(21,404,424)</u>
<u>14,319,634</u>	<u>9,954,749</u>	<u>9,489,472</u>	<u>(28,674,589)</u>

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YEAR ENDED JUNE 30, 2010

	<b>35700</b>	<b>35900</b>
	<b>Public</b>	<b>Workers'</b>
	<b>Liability</b>	<b>Compensation</b>
	<u>                    </u>	<u>                    </u>
<b>OPERATING ACTIVITIES:</b>		
Fees received	\$ 35,211,945	22,918,589
Other income	-	-
Cash paid to suppliers	(40,097,472)	(16,247,049)
Cash paid to employees	<u>                    -</u>	<u>                    -</u>
<b>NET CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>	(4,885,527)	6,671,540
<b>NON-CAPITAL FINANCING ACTIVITIES:</b>		
Appropriation from/reversion to State General Fund	-	-
Transfers	<u>(4,460,200)</u>	<u>(1,015,000)</u>
<b>NET CASH PROVIDED BY (USED IN)</b>		
<b>NON-CAPITAL FINANCING ACTIVITIES</b>	(4,460,200)	(1,015,000)
<b>CAPITAL AND RELATED</b>		
<b>FINANCING ACTIVITIES:</b>		
Purchase of capital assets	-	-
Capital lease and expenditures	<u>                    -</u>	<u>                    -</u>
<b>NET CASH PROVIDED BY (USED IN) CAPITAL</b>		
<b>AND RELATED FINANCING ACTIVITIES</b>	<u>                    -</u>	<u>                    -</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(9,345,727)	5,656,540
<b>BEGINNING CASH</b>	<u>71,844,835</u>	<u>5,060,481</u>
<b>ENDING CASH</b>	\$ <u><u>62,499,108</u></u>	<u><u>10,717,021</u></u>

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Statement of Cash Flows - Enterprise Funds**

<b>36500 State Transportation Pool</b>	<b>75200 Group Insurance Premium Stabilization</b>	<b>Other Enterprise Funds</b>	<b>Total</b>
8,564,996	342,628,920	19,951,786	429,276,236
389,284	-	-	389,284
(1,401,798)	-	(27,071,928)	(84,818,247)
<u>(4,653,241)</u>	<u>(329,423,298)</u>	<u>(8,782,881)</u>	<u>(342,859,420)</u>
2,899,241	13,205,622	(15,903,023)	1,987,853
-	-	-	-
<u>(311,800)</u>	<u>(1,188,000)</u>	<u>6,276,900</u>	<u>(698,100)</u>
(311,800)	(1,188,000)	6,276,900	(698,100)
(2,683,195)	-	(20,000)	(2,703,195)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(2,683,195)</u>	<u>-</u>	<u>(20,000)</u>	<u>(2,703,195)</u>
(95,754)	12,017,622	(9,646,123)	(1,413,442)
<u>5,506,045</u>	<u>47,150,701</u>	<u>26,423,895</u>	<u>155,985,957</u>
<u><u>5,410,291</u></u>	<u><u>59,168,323</u></u>	<u><u>16,777,772</u></u>	<u><u>154,572,515</u></u>

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**YEAR ENDED JUNE 30, 2010**

	<b>35700</b>	<b>35900</b>
	<b>Public</b>	<b>Workers'</b>
	<b>Liability</b>	<b>Compensation</b>
	<u>                    </u>	<u>                    </u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (631,249)	3,613,770
Adjustments:		
Depreciation	-	-
Decrease (increase) in assets:		
Accounts receivable and due from other agencies and funds	1,434	(474)
Inventories	-	-
Other assets	-	-
Increase (decrease) in liabilities:		
Insurance claims payable	(2,326,592)	3,106,392
Accounts payable and due to other agencies and funds	(1,929,120)	(48,148)
Accrued expenses	-	-
Accrued compensated absences	<u>-</u>	<u>-</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	\$ <u>(4,885,527)</u>	<u>6,671,540</u>

**NONCASH INVESTING, CAPITAL, AND  
FINANCING ACTIVITIES:**

Capital assets with a book value of \$1,535,746 and related accumulated depreciation of \$1,508,972 were disposed of resulting in a loss on disposal of capital assets of \$26,774.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Cash Flows - Enterprise Funds - continued

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
(62,724)	9,178,718	(18,643,806)	(6,545,291)
2,652,956	-	1,097,149	3,750,105
324,535	246,169	542,585	1,114,249
-	-	7,172	7,172
641	422	6,330	7,393
-	644,851	704,289	2,128,940
(23,197)	3,135,462	304,126	1,439,123
15,511	-	90,171	105,682
(8,481)	-	(11,039)	(19,520)
<u>2,899,241</u>	<u>13,205,622</u>	<u>(15,903,023)</u>	<u>1,987,853</u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Fiduciary Assets and Liabilities - Agency Funds

AS OF JUNE 30, 2010

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Investment in the State General Fund Investment Pool	\$ <u>2,015,723</u>
<b>TOTAL ASSETS</b>	\$ <u><u>2,015,723</u></u>
<b>LIABILITIES:</b>	
Accounts payable	\$ 1,386,023
Deposits held in custody for others	<u>629,700</u>
<b>TOTAL LIABILITIES</b>	\$ <u><u>2,015,723</u></u>



## NATURE OF ORGANIZATION

The State of New Mexico General Services Department (Department) was created to increase the efficiency and responsiveness of New Mexico State Government by consolidating certain governmental functions within a single department and by providing support services for other governmental entities. Specific programs accomplish a number of services, including building maintenance and security; transportation; automated data processing; voice, data and radio communications; capital projects and improvements; central purchasing; and printing.

### Reporting Entity

The financial reporting entity, as defined by GASB Statements 14 and 39, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. This definition of the reporting entity is based primarily on the notion of financial accountability as the "cornerstone of all financial reporting in government".

The chief executive of the Department is the Secretary, who is appointed by the Governor of New Mexico and is a member of the Governor's cabinet. The Department is included in the State's reporting entity. These financial statements include all funds over which the Department Secretary has oversight responsibility. The functions of the Department are administered through the following divisions: Building Services, Administrative Services, Information Systems, Property Control, Risk Management, State Purchasing and Transportation. Overall support is provided by the Administrative Services Division and the Office of the Secretary.

State Personnel Office. The State Personnel Office is administratively attached to the Department. The Department has no administrative or financial control over this agency and, accordingly, it is not included in the Department's financial statements.

The Department had no component units during the year ended June 30, 2010.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements for the Department have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB No. 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

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

In June 1999, the GASB unanimously approved GASB No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This statement provides for the most significant change in financial reporting in over 20 years and is scheduled for a phased implementation based on size of government.

• **Government-wide Financial Statements**

The government-wide financial statements, i.e., the statement of net assets and the statement of changes in net assets, report information on all of the non-fiduciary funds of the Department and exclude component units that are fiduciary in nature. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The components of net assets are invested in capital assets, net of related debt, if applicable, restricted and unrestricted.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are reported as general revenues. Indirect expenses are allocated to other costs.

Separate financial statements are provided for governmental funds and proprietary (enterprise) funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

• **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

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

• **Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Department first uses restricted net assets.

Fund financial statements report detailed information about the Department. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB No. 33 (as it relates to non-exchange and exchange transactions), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient. Derived tax revenues (gas, motor vehicle) are included as revenue when the underlying transaction takes place. Any non-exchange transactions (including grants, taxes and contributions) are not recognized until they are measurable or reasonably estimable.

Proprietary (enterprise) funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accounts of the Department are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net assets, revenues and expenditures/expenses. The various funds are summarized by type in the accompanying financial statements. The following fund types are used by the Department:

**Governmental-type Funds** – Governmental-type funds are those through which most governmental functions of the Department are financed. The acquisition, use and balances of the Department’s expendable available financial resources and the related liabilities (except those accounted for in enterprise funds) are accounted for through governmental-type funds. Governmental fund types have fund balance reservations, designations and restrictions. The measurement focus is upon determination of changes in financial position rather than upon net income determination. The following are the government fund types:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued

**General Fund** - The General Fund is the general operating fund of the Department. It is used to account for the general operations of the Department in carrying out its specific functions. The primary source of revenue for the General Fund is State appropriations. The General Fund exists through the annual budget approval.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

**Capital Projects Funds** – Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Major governmental-type funds in addition to the general fund include:

**Capital Buildings Repair Fund** – A capital projects fund used to account for repairs, remodeling and equipping of capitol buildings and adjacent lands, and to repair or replace building machinery and building equipment located in the capitol building.

**Laws of 2006** - A capital projects fund used to account for the acquisition, improvement, alteration or reconstruction of long-term assets.

**Business-type Funds** – Enterprise funds are used to account for the Department’s ongoing activities where the intent of the State is that the costs and expenses, including depreciation, of providing goods and services to other departments or agencies of the governmental unit or to other unrelated governmental units, on a continuing basis, be financed or recovered primarily through user or customer charges. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB No. 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Major enterprise-type funds include:

**Public Liability** – provides liability insurance for state agencies and their employees and for any local public body participating in the fund and pays claims and judgments under the certificate of coverage.

**Workers’ Compensation Retention** – accounts for the purchase and administration of workers’ compensation insurance for employees of state agencies.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Measurement Focus, Basis of Accounting and Financial Statement Presentation – continued**

**State Transportation Pool** – (Fund 36500, non-reverting, Chapter 15, Article 8, NMSA 1978) provides transportation for all state agencies in the Santa Fe and Albuquerque, New Mexico areas.

**Group Insurance Premium Stabilization** –accounts for premiums collected under the *Consolidated Omnibus Budget Reconciliation Act (COBRA)* from former employees of the Department who have elected to continue their health insurance coverage with the Department's carrier.

**Fiduciary Funds (Agency Funds)** – These funds are used to account for assets held by the Department as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

• **Budgetary Data**

Per the General Appropriation Act, Laws of 2007, Chapter 28, Section 3, item N, “For the purpose of administering the General Appropriation Act of 2007 and approving operating budgets, the state of New Mexico shall follow the modified accrual basis of accounting for governmental funds in accordance with the manual of model accounting practices issued by the department of finance and administration.” The budget is adopted on the modified accrual basis of accounting, except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable that do not get paid timely must be paid out of the next year's budget. Encumbrances related to single year appropriations lapse at year end. Appropriation periods are sometimes for periods in excess of twelve months (multiple-year appropriations). When multiple-year appropriation periods lapse, the authority for the budget also lapses and encumbrances can no longer be charged to that budget. The legal level of budgetary control is at the appropriation unit level.

The unexpended State General Fund appropriation to the Department lapses at year end and reverts to the State General Fund. The Department may also receive funding from various special appropriations. The language of a particular special appropriation determines when it lapses and whether or not unexpended balances revert to the State General Fund.

• **Cash Deposits**

The Department is required by statute to deposit any money received into the State Fiscal Agent Bank. Balances maintained at the end of the day are pooled and invested by the State Treasurer in repurchase agreements. The State Treasurer issues separate financial statements that disclose the collateral pledged to secure these deposits, categories of risk involved and the market value of purchased investments, which may differ from the cash deposited by the Department. Cash and cash equivalents are defined to include cash on deposit with banks or the State Treasurer.

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

• **Receivables**

All accounts/trade receivables represent uncollected insurance premiums or fees for services rendered to external parties. Receivables in excess of 120 days comprise the Department's allowance for doubtful accounts.

• **Inventories**

Inventories are valued at the lower of cost (first-in, first-out method) or market and consist of expendable supplies held for consumption and raw materials used in the printing department.

The Department also maintains an inventory of Federal Surplus Property for resale to other state departments or agencies, local government or not-for-profit organizations. This inventory is not recorded on the financial statements of the Department as it is not considered to be a financial or capital resource.

• **Capital Assets and Depreciation**

Capital assets are stated at cost or estimated cost, and include land, buildings, computer software, property and equipment constructed with Department resources and acquired with State appropriations and government grant funds. They also include certain land and buildings transferred from other departments and agencies of the State of New Mexico under the provisions of the Property Control Act (Section 12-6-10, NMSA 1978). Capitalized asset additions made through governmental funds are recorded as capital outlay expenditures in the respective funds and recorded in the government-wide financial statements. Items greater than \$5,000 are capitalized.

Capital assets acquired by enterprise funds are reported in those funds at cost or at estimated fair value at the time of donation. Provisions for depreciation are computed using the straight-line method and charged to operations of enterprise funds over the assets' estimated useful lives using the straight-line method. Estimated useful lives are 10 to 40 years for building and improvements; 3 to 6 years for motor vehicles and motorized equipment; and 4 to 20 years for furniture, machinery and equipment.

Capital assets for the governmental activities are recorded on the government-wide financial statements and depreciated over the same estimated useful lives using the straight-line method.

• **Compensated Absences**

A total of 12 days of sick leave per year may be accumulated by each employee. Employees are paid for accumulated sick leave annually, or upon retirement or other termination, but only for accumulated sick leave in excess of 600 hours. Annually, employees may be paid 50% of the excess over 600 hours, up to a maximum of 120 hours. Upon retirement or termination, employees are paid 50% of the excess over 600 hours, up to a maximum of 400 hours. Employees may accrue from 10 days to 20 days of annual leave per year, depending on the years of service. Employees are paid for the accumulated annual leave

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Compensated Absences - continued**

upon retirement or other termination. A maximum of 30 days of annual leave may be accumulated by each employee.

Compensated absences liabilities are computed using the regular pay and termination pay rates in effect at the financial statement date, plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

• **Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made for it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

On fund financial statements, receivables and payables (resulting from short-term interfund loans and as a result of transactions between the funds) are classified as "Due to/from other funds."

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are various charges between the business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

• **Restricted Expendable Net Assets**

GASB Pronouncement Number 46 states that net assets are legally enforceable, meaning that a government can be compelled by an external party (i.e., citizen, public interest group, etc.) to use resources only as created by the legislation. The three categories of net assets are invested in capital assets, net of related debt, restricted and unrestricted.

Restricted expendable net assets are created to either 1) satisfy legal covenants that require a portion of the fund balance be segregated, or 2) identify the portion of the fund balance that is not appropriated for future expenditures. Specific restricted net asset accounts are summarized below:

**Restricted for insurance/claims** – Amounts to be paid in the future on risk management insurance and various other claims.

**Restricted for capital projects** – Resources that must be used to acquire capital assets. At June 30, 2010, \$17,645,620 was restricted by enabling legislature for capital projects expenditures.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

- **Reservations of Fund Balances**

**Reserved for inventories** – Portion of fund balance that is not available for expenditures but for inventory balances not yet consumed.

**Reserved for capital projects** – Resources that must be used to acquire capital assets.

- **Use of Estimates**

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

2. **CASH (INVESTMENT IN THE STATE GENERAL FUND INVESTMENT POOL)**

State law requires the Department’s investments to be managed by the New Mexico State Treasurer’s Office.

The fair value of the investments maintained at the New Mexico State Treasurer’s Office are as follows at June 30, 2010:

Investment	Balance, June 30, 2010
New Mexico State Treasurer’s Office: General Fund Investment Pool	\$ <u>186,886,789</u>

- **Interest Rate Risk**

The Department 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’s Office is not rated.

For additional GASB 40 disclosure information related to the above investment pool, the reader should refer to the separate audit report for the State Treasurer’s Office.



STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

2. CASH (INVESTMENT IN THE STATE TREASURER INVESTMENT POOL) – continued

• **Pledged Collateral (Custodial Credit Risk)**

In accordance with Section 6-10-7 NMSA 1978, deposits of public monies are to be collateralized in an aggregate equal to 50% of deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance coverage. Deposits are exposed to custodial risks if they are not covered by depository insurance.

Detail of pledged collateral specific to this agency is unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer’s Office collateral bureau monitors pledged collateral for all state funds held by state agencies in such “authorized” bank accounts.

The New Mexico State Treasurer’s office is responsible to ensure that all accounts have collateral at the required level for amounts in excess of FDIC coverage. The New Mexico State Treasurer issues separate financial statements, which disclose the collateral pledged to secure these deposits, the categories of risk involved, and the market value of purchased investments, which may differ from the cash deposited by the Department.

3. INTERFUND AND INTERAGENCY RECEIVABLES AND PAYABLES

**Amount Due To Business-type Funds**

Fund Name	Fund No.	Amount
State Unemployment Compensation	35300	\$ 2,400
RMD – Liability	35700	1,725
State Transportation Pool	36500	<u>1,612</u>
Total		\$ <u>5,737</u>
Total due from		\$ <u>5,737</u>

**Amount Due From Business-type Funds**

Fund Name	Fund No.	Amount
RMD – Operating	35200	\$ 1,612
State Printing	80600	<u>4,125</u>
Total		\$ <u>5,737</u>
Total due to		\$ <u>5,737</u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

**3. INTERFUND AND INTERAGENCY RECEIVABLES AND PAYABLES - continued**

All interfund transactions are expected to be settled within one year.

Due to and from other funds as of June 30, 2010, are as follows:

<u>Due To Fund</u>	<u>Fund No.</u>	<u>Balance</u>	<u>Due From Fund</u>	<u>Fund No.</u>
<b>Enterprise Funds:</b>				
State Unemployment Comp.	35300	\$ 2,400	State Printing	80600
RMD – Liability	35700	1,725	State Printing	80600
State Transportation Pool	36500	<u>1,612</u>	RMD – Operating	35200
Total Enterprise Funds		\$ <u>5,737</u>		

<u>Due From Fund</u>	<u>Fund No.</u>	<u>Balance</u>	<u>Due To Fund</u>	<u>Fund No.</u>
<b>Enterprise Funds:</b>				
RMD – Operating	35200	\$ (1,612)	State Transportation Pool	36500
State Printing	80600	(2,400)	State Unemployment Comp.	35300
		<u>(1,725)</u>	RMD – Liability	35700
		<u>(4,125)</u>		
Total Enterprise Funds		\$ <u>5,737</u>		

Due to and due from other state agencies as of June 30, 2010 are as follows:

**Due To Other State Agencies**

<u>Due to Other State Agencies</u>	<u>Fund No.</u>	<u>Amount</u>	<u>Due to Agency/Purpose</u>	<u>Fund No.</u>	<u>Amount</u>
State Transportation Pool	36500	\$ 8,416	DOIT/June 2010 IT Services	20330	\$ 8,416
Surplus Property Bureau	36000	<u>1,385</u>	TRD/Gross Receipts Tax	83200	<u>1,385</u>
Total All Funds		\$ <u>9,801</u>	Total All Funds		\$ <u>9,801</u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

3. INTERFUND AND INTERAGENCY RECEIVABLES AND PAYABLES - continued

Due From Other State Agencies

Transfers From Other State Agencies	Fund No.	Amount	Due From Agency/Purpose	Fund No.	Amount
Laws of 2006	64100	\$ 3,369,463	DFA/Severance Tax Draw	01900	\$ 3,369,463
ARRA	89000	183,418	EMNRD/Federal Reimbursement	89000	183,418
Laws of 1999	35500	4,224	DFA/Severance Tax Draw	01900	4,224
Laws of 2002	24900	<u>4,112</u>	DFA/Severance Tax Draw	01900	<u>4,112</u>
Total All Funds		\$ <u>3,561,217</u>			\$ <u>3,561,217</u>

The purpose of all interfund and interagency balances is to record the services that the Department provides to other funds and agencies (e.g., information processing, printing, insurance, etc.)

During the year, the Department wrote off a transaction between the State Transportation Pool and the State Aircraft Pool in the amount of \$250,000.

#### 4. CAPITAL ASSETS

Governmental-type Activities	Balance, June 30, 2009	Adjustments
Building and improvements	\$ 596,168,871	6,045,112
Machinery	900,374	-
Construction in progress	<u>167,441,265</u>	<u>43,284,367</u>
Total	764,510,510	49,329,479
Accumulated depreciation:		
Buildings and improvements	(370,477,298)	(330,987)
Machinery and equipment	<u>(668,954)</u>	<u>-</u>
Total accumulated depreciation	(371,146,252)	(330,987)
Land	<u>11,329,397</u>	<u>-</u>
Net total	<u><u>404,693,655</u></u>	<u><u>48,998,492</u></u>

Depreciation expense of \$13,763,265 was charged to the Capital Projects function.

During the fiscal year, the Department received buildings and improvements from the State of New Mexico Corrections Department with a total cost of \$7,293,847. This amount has been recorded as an addition in the schedule above. Additionally, the Department transferred land to the New Mexico Border Authority with a total cost of \$83,406 and this transfer has been shown as a deletion in the schedule above.

\$58,969,770 was reclassified from construction in progress to buildings and improvements, as projects were completed.

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Notes to Financial Statements - continued**

<u>Restated, June 30, 2009</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>Balance, June 30, 2010</u>
602,213,983	66,263,617	(18,060,239)	650,417,361
900,374	52,816	-	953,190
<u>210,725,632</u>	<u>59,459,921</u>	<u>(58,969,770)</u>	<u>211,215,783</u>
813,839,989	125,776,354	(77,030,009)	862,586,334
(370,808,285)	(13,655,581)	6,388,168	(378,075,698)
<u>(668,954)</u>	<u>(107,684)</u>	<u>-</u>	<u>(776,638)</u>
(371,477,239)	(13,763,265)	6,388,168	(378,852,336)
<u>11,329,397</u>	<u>2,568,364</u>	<u>(83,406)</u>	<u>13,814,355</u>
<u><u>453,692,147</u></u>	<u><u>114,581,453</u></u>	<u><u>(70,725,247)</u></u>	<u><u>497,548,353</u></u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

4. CAPITAL ASSETS - continued

• **Business-type Activities Capital Assets**

A summary of changes in business-type activities capital assets follows:

<u>Business-type Activities</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Adjustments/</u> <u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Aircraft, Autos, & Trucks	\$ 37,160,392	2,647,029	(1,535,746)	38,271,675
Buildings and Improvements	1,798	-	-	1,798
Furniture & Fixtures	49,843	-	-	49,843
Machinery and equipment	<u>1,835,803</u>	<u>56,166</u>	<u>-</u>	<u>1,891,969</u>
Total	39,047,836	2,703,195	(1,535,746)	40,215,285
Accumulated depreciation:				
Aircraft, Autos, & Trucks	(23,721,118)	(3,701,337)	1,508,972	(25,913,483)
Buildings and Improvements	(1,534)	-	-	(1,534)
Furniture & Fixtures	(49,546)	(297)	-	(49,843)
Machinery and equipment	<u>(1,731,788)</u>	<u>(48,471)</u>	<u>-</u>	<u>(1,780,259)</u>
Total accumulated depreciation	(25,503,986)	(3,750,105)	1,508,972	(27,745,119)
Land	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total	\$ <u>13,543,850</u>	<u>(1,046,910)</u>	<u>(26,774)</u>	<u>12,470,166</u>

5. LEASES (Enterprise Funds)

• **Operating Leases**

Lease expenditures/expenses for the year ended June 30, 2010 totaled \$2,859,304. Lease expense for vehicles approximates the revenue earned by the Department for leasing these vehicles to other state agencies. The Department has other lease agreements with related expenses reflected in the individual funds' operating costs. The majority of the Department's leases do not exceed on year in term. Additionally, the Department has required payments for their pro-rata share of utilities and maintenance related to site leases.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

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5. LEASES (Enterprise Funds) - continued

• Operating Leases - continued

The following is a schedule by year of future minimum lease payments for various copiers, sites and leased vehicles at June 30, 2010:

Years ending June 30:	<u>Lease Amounts</u>
2011	\$ 745,157
2012	301,109
2013	137,173
2014	5,370
2015	<u>497</u>
	\$ <u>1,189,306</u>

6. INSURANCE CLAIMS PAYABLE (Enterprise Funds)

The State of New Mexico manages its risks internally and sets aside assets for claim settlement through Enterprise Funds within the Risk Management Division of the General Services Department. The Risk Management Division (RMD) services all claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, employee health and accident, and unemployment compensation. The Department has reinsurance for liability and civil rights claims in the amounts of \$1,050,000 each. The Department has a tort claim cap of \$1,050,000. Civil rights claims may exceed this amount and the Department has reinsurance from \$5,000,000 to \$10,000,000. The Department would then be liable for the remaining above \$10,000,000. All funds, agencies and authorities of the State participate in Risk Management. Risk Management allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund, agency or public authority based on claims history and exposure of each participant. The charge considers recent trends in actual claims experience of the State as a whole, and makes provision for catastrophic losses.

Risk Management fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated annually to take into consideration recent settled claims, the frequency of claims and other economic and social factors.

Insurance claims payable of \$177,720,325 were reported with the Department through June 30, 2010. The amounts of the liabilities are determined by independent actuarial consultants to the Department. The total liability is shown in the accompanying financial statements at the present value of the payments,

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

6. **INSURANCE CLAIMS PAYABLE (Enterprise Funds) - continued**

computed at 3.50% annual rate (except for long-term disability liability, which is computed at 5% annual rate) between June 30, 2010 and the date the claims are ultimately expected to be paid.

Insurance claims payable presented are actuarial computed estimates of the costs of administering, defending and settling claims for events that had occurred as of the year end. Since these estimates are based on historical information and various statistical measures, actual amounts paid may vary significantly from the amount estimated by the fund actuaries and reported herein.

The basis of estimating the liabilities for unpaid claims is found in the independent actuarial report. The following shows the reconciliation of changes in the unpaid claims in the Risk Management Funds, which are stated at present value:

<u>Fund</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Incurred (Net</u> <u>of Actuarial</u> <u>Provision)</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2010</u>
35300 - State Unemployment	\$ 4,447,723	9,643,301	8,619,800	5,471,224
35400 - Local Public Body	1,031,872	2,532,899	2,399,400	1,165,371
35600 - Public Property Reserve	2,274,889	8,442,769	8,913,594	1,804,064
35700 - Public Liability	99,903,512	19,692,970	22,019,562	97,576,920
35800 - Surety Bond	-	18,114	-	18,114
35900 - Workers' Compensation	31,154,001	17,236,701	14,130,309	34,260,393
75200 - Group Insurance Premium	<u>36,779,388</u>	<u>314,045,607</u>	<u>313,400,756</u>	<u>37,424,239</u>
Net Total	\$ <u>175,591,385</u>	<u>371,612,361</u>	<u>369,483,421</u>	<u>177,720,325</u>

<u>Fund</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Incurred (Net</u> <u>of Actuarial</u> <u>Provision)</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2009</u>
35300 - State Unemployment	\$ 4,501,240	5,296,379	5,349,896	4,447,723
35400 - Local Public Body	1,030,784	1,273,673	1,272,585	1,031,872
35600 - Public Property Reserve	1,865,624	2,858,156	2,448,891	2,274,889
35700 - Public Liability	114,846,010	160,272	15,102,770	99,903,512
35800 - Surety Bond	30,146	18,854	49,000	-
35900 - Workers' Compensation	30,694,513	13,460,558	13,001,070	31,154,001
75200 - Group Insurance Premium	<u>44,267,847</u>	<u>303,028,462</u>	<u>310,516,921</u>	<u>36,779,388</u>
Net Total	\$ <u>197,236,164</u>	<u>326,096,354</u>	<u>347,741,133</u>	<u>175,591,385</u>



STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

7. COMPENSATED ABSENCES

The compensated absence liability of the governmental funds has typically been liquidated by the general fund in prior years. The changes in accrued compensated absences for governmental activities are as follows:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amounts Due</u> <u>Within One Year</u>
\$	<u>367,150</u>	<u>302,933</u>	<u>(325,714)</u>	<u>344,369</u>	<u>316,855</u>

The changes in accrued compensated absences for business-type activities are as follows:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amounts Due</u> <u>Within One Year</u>
\$	<u>507,144</u>	<u>424,656</u>	<u>(444,176)</u>	<u>487,624</u>	<u>446,564</u>

8. JOINT POWERS AGREEMENTS

The General Services Department Risk Management Division provides legal representation of New Mexico Corrections Department (NMCD) employees by NMCD's Office of General Counsel in those pro se cases for which NMCD employers are provided by the Department's Risk Management Division pursuant to the NM Tort Claims Act. The term is from July 1, 2008 to June 30, 2012, and is funded with \$894,518 in other state funds. The Department will pay any settlements authorized and any judgments resulting from trials. The Department made no payments to NMCD during 2010.

<u>Participants</u>	<u>Responsible</u> <u>Party</u>	<u>Description</u>	<u>Term</u>	<u>Total</u> <u>Amount</u>	<u>Current</u> <u>Year Amount</u>	<u>Books</u> <u>Recorded</u>
NMCD/GSD	GSD	See above	July 2008 – June 2012	\$987,384	-	GSD

9. SPECIAL APPROPRIATIONS

The General Services Department received the following special appropriations for fiscal year 2009:

	<u>Original</u> <u>Appropriation</u>	<u>End</u> <u>Date</u>	<u>Amount</u> <u>Received</u>	<u>Expenditures</u>	<u>Outstanding</u>	<u>Remaining</u>
Laws of 2009, Chapter 124, Section 35, Item 15, Aviation Operation Support	\$ 790,300	6/30/2010	790,300	790,300	-	-
Laws of 2008, Chapter 3, Section 7, Item 12, Risk Management IT Appropriation	\$ 2,300,000	6/30/2010	1,895,000	1,162,200	-	732,800

**10. OPERATING TRANSFERS**

Transfers between funds for the year ended June 30, 2010 are as follows:

		<u>17400</u>	<u>86300</u>	<u>64100</u>	<u>12500</u>
		<u>General Fund</u>	<u>Capital Buildings Repair Fund</u>	<u>Laws of 2006</u>	<u>Capital Projects Admin Cost</u>
<b>Transfers In:</b>					
Governmental Funds:					
12500	Capital Projects Admin Cost	\$ -	(39,220)	(448,236)	-
28700	Public Building Repair	-	-	-	-
64100	Laws of 2006	-	-	-	-
		-	(39,220)	(448,236)	-
Enterprise Funds:					
35200	Risk Management Operating	-	-	-	-
41700	State Aircraft Bureau	-	-	-	-
19700	Administrative Services Division	(162,700)	-	-	-
Total Out		\$ <u>(162,700)</u>	<u>(39,220)</u>	<u>(448,236)</u>	<u>-</u>
Net Transfers In (Out)		\$ <u>(162,700)</u>	<u>(39,220)</u>	<u>(443,236)</u>	<u>599,056</u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

Transfers Out						
Governmental Funds						
28600	28700	78500	35500	36400	76600	28500
Purchasing Division Fees	Public Building Repair	Capital Project Property Control Reserve Fund	Capital Project Laws of 1999	Capital Projects Laws of 2004	Capital Projects Laws of 2006	DOH Facilities Tobacco Tax
-	-	-	-	-	-	(111,600)
-	-	-	(17,822)	(435,212)	(263)	-
-	-	(5,000)	-	-	-	-
-	-	(5,000)	(17,822)	(435,212)	(263)	(111,600)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(16,200)	-	-	-	-	-	-
(16,200)	-	(5,000)	(17,822)	(435,212)	(263)	(111,600)
(16,200)	453,297	(5,000)	(17,822)	(435,212)	(263)	(111,600)

10. OPERATING TRANSFERS - continued

		35700	35900	36500	75200
		Risk Management - Public Liability	Workman's Compensation	State Transportation Pool	Group Insurance Premium Stabilization
<b>Transfers In:</b>					
Governmental Funds:					
12500	Capital Projects Admin Cost	\$ -	-	-	-
28700	Public Building Repair	-	-	-	-
64100	Laws of 2006	-	-	-	-
		-	-	-	-
Enterprise Funds:					
35200	Risk Management Operating	(4,460,200)	(1,015,000)	-	(1,188,000)
41700	State Aircraft Bureau	-	-	-	-
19700	Administrative Services Division	-	-	(311,800)	-
Total Out		\$ <u>(4,460,200)</u>	<u>(1,015,000)</u>	<u>(311,800)</u>	<u>(1,188,000)</u>
Net Transfers In (Out)		\$ <u>(4,460,200)</u>	<u>(1,015,000)</u>	<u>(311,800)</u>	<u>(1,188,000)</u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

Transfers Out						
Enterprise Funds						
19700	36000	41700	80600	35200	35300	35400
Administrative Services Division	Surplus Property	State Aircraft Bureau	State Printing Services	Risk Management - Operating	State Unemployment Comp.	Risk Management - LPB Unemploy.
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(33,500)	(48,900)
(990,300)	-	-	-	-	-	-
-	(18,300)	(36,700)	(23,075)	(2,201,300)	-	-
(990,300)	(18,300)	(36,700)	(23,075)	(2,201,300)	(33,500)	(48,900)
1,779,775	(18,300)	953,600	(23,075)	4,929,000	(33,500)	(48,900)

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

10. OPERATING TRANSFERS - continued

		<u>Transfers Out</u>		
		<u>Enterprise Funds</u>		
		35800	35600	
		Risk	Risk	
		Management -	Management -	
		Surety Bond	Public Property	
		<u>                    </u>	<u>                    </u>	<u>Total In</u>
			Res.	
<b>Transfers In:</b>				
Governmental Funds:				
12500	Capital Projects Admin Cost	\$ -	-	(599,056)
28700	Public Building Repair	-	-	(453,297)
64100	Laws of 2006	-	-	<u>(5,000)</u>
		-	-	(1,057,353)
Enterprise Funds:				
35200	Risk Management Operating	(28,300)	(356,400)	(7,130,300)
41700	State Aircraft Bureau	-	-	(990,300)
19700	Administrative Services Division	<u>-</u>	<u>-</u>	<u>(2,770,075)</u>
	<b>Total Out</b>	<u>\$ (28,300)</u>	<u>(356,400)</u>	<u>(11,948,028)</u>
	<b>Net Transfers In (Out)</b>	<u>\$ (28,300)</u>	<u>(356,400)</u>	<u>-</u>

**10. OPERATING TRANSFERS - continued**

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

<u>State Agency Name - Agency Number</u>	<u>Agency Fund Number</u>	<u>Governmental</u>	
		<u>64100</u>	<u>86300</u>
		<u>Laws of 2006</u>	<u>Capital Projects Repair Fund</u>
Dept. of Finance & Administration - 34100	52900	\$ (100,000)	-
Dept. of Finance & Administration - 34100	32600	-	-
Dept. of Finance & Administration - 34100	06200	-	-
Legislative Building Services - 11900	13200	220,000	-
New Mexico Finance Authority - 38500	95500	-	5,167,079
Legislative Council Service - 11100	07500	-	(118,862)
Dept. of Public Safety - 79000	88200	116,000	-
Dept. of Information Technology - 36100	20360	-	-
		\$ <u>236,000</u>	<u>5,048,217</u>

During the fiscal year, the Department received a transfer in of capital assets of \$7,293,847 from the State of New Mexico Corrections Department. Additionally, the Department had a transfer out of capital assets of \$83,406 to the New Mexico Border Authority. The transfers in/out of capital assets were recorded at the government-wide level.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

Funds				Enterprise Funds		
28700	35500	78500		19700		
Public Building Repair	Capital Project Laws of 1999	Property Control Reserve	Governmental Funds Subtotal	Administrative Services Division	Enterprise Funds Subtotal	Total
-	-	-	(100,000)	-	-	(100,000)
-	(24)	-	(24)	-	-	(24)
50,095	(2,355)	-	47,740	-	-	47,740
-	-	-	220,000	-	-	220,000
-	-	458,099	5,625,178	-	-	5,625,178
-	-	-	(118,862)	-	-	(118,862)
-	-	-	116,000	-	-	116,000
-	-	-	-	(877,000)	(877,000)	(877,000)
<u>50,095</u>	<u>(2,379)</u>	<u>458,099</u>	<u>5,790,032</u>	<u>(877,000)</u>	<u>(877,000)</u>	<u>4,913,032</u>



STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

**11. REVERSIONS**

The Department had reversions listed in the operating statements for fiscal years as follows:

		<u>Year of</u>		
		<u>Appropriation</u>		
64100	Laws of 2006	2010	\$	8,899,180
17400	General Fund – Executive Order 2009-044 Reversion	2010		1,031,000
17400	General Fund	2010		1,026,349
97000	Laws of 1995/2005	2010		646,181
24900	Laws of 2002	2010		<u>19,155</u>
<b>Total</b>			<b>\$</b>	<b><u>11,621,865</u></b>

In accordance with statute Section 6-5-10(A) NMSA 1978, all unreserved, undesignated fund balances in reverting funds and accounts as reflected in the SHARE system as of June 30 shall revert. A total of \$9,288,251 was paid to the State General Fund during the year. \$2,197,156 is payable at June 30, 2010, and due by September 30, 2010. This payable may be adjusted within 45 days of the release of this audit by the New Mexico Office of the State Auditor.

**12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

• **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 benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA’s website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

• **Funding Policy**

Plan members are required to contribute 8.92% of their gross salary. The Department is required to contribute 15.09% of the gross covered salary. The contribution requirements of plan members and the Department are established in State statute 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 fiscal years ending June 30, 2010, 2009 and 2008 were \$1,907,318, \$2,227,726 and \$2,681,959, respectively, which equal the amount of the required contribution for each fiscal year.

**13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

• **Plan Description**

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

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

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

• **Funding Policy**

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013, the contribution rates for employees and employers will rise as follows:

**13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN - continued**

• **Plan Description - continued**

For employees who are not members of an enhanced retirement plan, the contribution rates will be:

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

Also, employers joining the program after January 1, 1998 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The Department's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$160,855, \$165,681 and \$149,284, respectively, which equal the required contributions for each year.

**14. COMMITMENTS AND CONTINGENCIES**

• **Litigation**

The Department has been named as defendant in several lawsuits or complaints. Neither the final outcome nor the amount of potential loss from these cases is presently determinable. However, management estimates that the potential loss to the Department, if any, is not likely to be material to the Department's financial statements.

In addition, the Risk Management Division is named as defendant in several lawsuits or complaints. The cases outstanding at June 30, 2010, have been included in the actuary's determination of "claims payable."

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

14. COMMITMENTS AND CONTINGENCIES - continued

• **Risk Management**

The Department is exposed to various risks of loss for which the Department carries insurance with the State of New Mexico Risk Management Division (an enterprise fund within the Department). Coverage is provided for the following:

Workers' Compensation	General Liability
Civil Rights and Foreign Jurisdiction	Automobile
Aircraft	Property
Money and Securities	Employee Fidelity Bond
Health/Life	Short-term and Long-term Disability
Law Enforcement	Medical Malpractice

• **New Mexico Finance Authority Issuance of Bonds**

With Chapters 199 and 166, Senate Bills 214 and 182, of the Laws of 2001, the Legislature approved the New Mexico Finance Authority to issue and sell revenue bonds for acquiring state office buildings. The net proceeds from the state office building tax revenue bonds will be appropriated to the Property Control Division of the Department. The total may not exceed \$75,000,000.

15. BUDGET VIOLATIONS

The Department did not maintain compliance with the following funds' budgeted amounts:

Fund	Category	Final Budget Expenditure Variance
35300 State Unemployment Compensation	Other Costs	\$ (1,023,501)
36400 Laws of 2004	Other Financing Uses	\$ (435,212)
35800 Surety Bond	Other Costs	\$ (204,323)
35400 Local Public Body Unemploy. Comp.	Other Costs	\$ (147,466)
35200 Risk Management Operating	Personnel Services	\$ (23,218)
35500 Laws of 1999	Other Financing Uses	\$ (20,201)
35500 Laws of 1999	Other Costs	\$ (3,301)
35400 Local Public Body Unemploy. Comp.	Contractual Services	\$ (1,742)
76600 Laws of 2000	Other Financing Uses	\$ (263)

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

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**16. FUND BALANCE/NET ASSET DEFICITS**

The following funds had fund balance/net asset deficits at June 30, 2010:

Government Funds:

28500 Tobacco Tax: DOH Facilities	\$	663,178
30600 Laws of 2003	\$	162,161
64100 Laws of 2006	\$	38,178

The Department is in the process of researching this negative balance. They hope to correct the fund balance in the fiscal year ending June 30, 2011.

Enterprise Funds:

35700 Public Liability	\$	38,455,524
35900 Workers' Compensation Retention	\$	23,982,920
35300 State Unemployment Compensation	\$	1,118,406
19700 Administrative Services Division	\$	10,502

The Public Liability, State Unemployment Compensation and Workers' Compensation Retention funds are Risk Management funds that include claims liabilities (see Note 6, Insurance Claims Payable) based on future actuarial estimated losses from claims incurred that the affected funds would need to pay using June 30, 2010 net asset balances. Such reporting is required by GASB 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. The New Mexico Risk Management Advisory Board recommends maintaining the asset balances at a minimum of at least 50 percent of the actuarial estimated losses. While the Public Liability and the State Unemployment Compensation funds are above 50 percent soundness, the Department is working on increasing insurance premium fees to help make the Workers' Compensation Retention fund reach this level.

**17. PRIOR PERIOD ADJUSTMENT**

The restatement is disclosed in order to display the flow of financial activity that cannot be stated elsewhere.

In prior years, the balance of construction in progress was understated by \$43,284,367, buildings and improvements was understated by \$6,045,112 and accumulated depreciation for buildings and improvements was understated by \$330,987 in governmental activities on the Statement of Net Assets. The net amount of these understatements is \$48,998,492.

As a result of the restatement, the June 30, 2010 net asset balance for governmental activities was understated by \$48,998,492.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Notes to Financial Statements - continued

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17. PRIOR PERIOD ADJUSTMENT - continued

	<u>Governmental Activities</u>
Net assets, beginning of year, as previously stated	\$ 441,127,499
Restatement	<u>48,998,492</u>
Net assets, beginning of year, as restated	\$ <u>490,125,991</u>

18. NEW PRONOUNCEMENTS

Effective for fiscal years beginning after June 15, 2010, GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will provide modifications to and additional types of fund balance classifications. This statement will enhance the usefulness of fund balance information to provide more consistency among the classifications and will establish reporting standards for all governments that report governmental funds. Although early implementation is encouraged, the State of New Mexico has decided to implement this new pronouncement for fiscal year ending June 30, 2011. The impact on the Department's financial statements has not yet been determined.

Effective for fiscal years beginning after June 15, 2010, GASB 59, *Financial Instruments Omnibus*, updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The impact on the Department's financial statements has not yet been determined.

**SUPPLEMENTARY INFORMATION**

## GENERAL FUND DESCRIPTION

The General Fund (Fund 17400) is used to account for all resources traditionally associated with governments that are not required to be accounted for in another fund. The General Fund is a reverting fund and includes the following:

- **Purchasing Division**
- **Property Control Division**
- **Building Services Division**



**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Combining Balance Sheet - By Fund Type -  
Non-Major Governmental Funds**

**AS OF JUNE 30, 2010**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
<b>ASSETS:</b>			
State General Fund Investment Pool at the State Treasurer's Office	\$ 7,539,562	5,005,157	12,544,719
Receivables:			
Interest receivable	-	475	475
Due from other funds	-	-	-
Due from other agencies	183,418	8,336	191,754
Other assets	-	-	-
Inventories	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ <u>7,722,980</u></b>	<b><u>5,013,968</u></b>	<b><u>12,736,948</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
Bank overdraft	\$ 137,121	4,224	141,345
Accounts payable	61,879	2,070,907	2,132,786
Deferred revenue	-	544,179	544,179
Accrued payroll	17,088	-	17,088
Due to other funds	-	-	-
Due to State General Fund	-	30,532	30,532
Due to other agencies	-	-	-
<b>TOTAL LIABILITIES</b>	<b>216,088</b>	<b>2,649,842</b>	<b>2,865,930</b>
<b>FUND BALANCE:</b>			
Reserved for inventories	-	-	-
Reserved for capital projects	-	2,364,126	2,364,126
Unreserved	<u>7,506,892</u>	-	<u>7,506,892</u>
<b>TOTAL FUND BALANCES</b>	<b><u>7,506,892</u></b>	<b><u>2,364,126</u></b>	<b><u>9,871,018</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>7,722,980</u></b>	<b><u>5,013,968</u></b>	<b><u>12,736,948</u></b>

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances - By Fund Type -  
Non-Major Governmental Funds**

**YEAR ENDED JUNE 30, 2010**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Total</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES:</b>			
Service fees/premiums	\$ 445,464	-	445,464
Federal funds	1,141,363	-	1,141,363
Interest income	-	4,461	4,461
Other	<u>          -</u>	<u>          9,229</u>	<u>          9,229</u>
<b>TOTAL REVENUES</b>	<u>          1,586,827</u>	<u>          13,690</u>	<u>          1,600,517</u>
<b>EXPENDITURES:</b>			
Current:			
Personnel services	257,243	-	257,243
Employee benefits	118,950	-	118,950
In-state travel	3,952	-	3,952
Out-of-state travel	-	-	-
Maintenance and repairs	4,075	170,317	174,392
Supplies	19,927	-	19,927
Contractual services	131,668	-	131,668
Operating costs	495	-	495
Other costs	56,046	3,301	59,347
Capital outlay	<u>          1,119,394</u>	<u>          17,194,483</u>	<u>          18,313,877</u>
<b>TOTAL EXPENDITURES</b>	<u>          1,711,750</u>	<u>          17,368,101</u>	<u>          19,079,851</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(124,923)	(17,354,411)	(17,479,334)

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances - By Fund Type -  
Non-Major Governmental Funds - continued**

**YEAR ENDED JUNE 30, 2010**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Total</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Severance tax bond proceeds	\$ -	6,876,100	6,876,100
Intra-agency transfer	1,036,153	(569,897)	466,256
Transfers:			
General appropriations	-	-	-
Reversions to State General Fund	-	(665,336)	(665,336)
Other state agency transfers	<u>50,095</u>	<u>455,720</u>	<u>505,815</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,086,248</u>	<u>6,096,587</u>	<u>7,182,835</u>
<b>NET CHANGE IN FUND BALANCES</b>	961,325	(11,257,824)	(10,296,499)
<b>BEGINNING FUND BALANCES</b>	<u>6,545,567</u>	<u>13,621,950</u>	<u>20,167,517</u>
<b>ENDING FUND BALANCES</b>	\$ <u><u>7,506,892</u></u>	<u><u>2,364,126</u></u>	<u><u>9,871,018</u></u>

## NON-MAJOR FUNDS

### SPECIAL REVENUE FUNDS DESCRIPTIONS:

- **Administrative Costs Fund**

The Administrative Costs Fund (Fund 12500, non-reverting FY04, Section 15-33-10 NMSA 1978) was created by the Laws of 2001, Chapter 319, for the purpose of accounting for Capital Projects overhead expenses. Transfers are made from Capital Projects to cover administrative costs of each project as expenses are incurred.

- **Purchasing Division Fees Fund**

The Purchasing Division Fees Fund (Fund 28600, non-reverting) was created by the Laws of 1984, Chapter 65 (13-1-104, NMSA 1978) for the purpose of accounting for the collection and expenditure of registration fees for qualified vendors submitting bids to provide the State of New Mexico with tangible items of personal property, construction or services. Fees collected are expended for the actual, direct cost of furnishing copies of a public notice or invitation for bids to the prospective bidders.

- **Public Buildings Repair Fund**

The Public Buildings Repair Fund (Fund 28700, non-reverting, Section 15-33-18 NMSA) was created by the Laws of 1996, Chapter 46, House bill 349 for the purpose of expenditure related to necessary repair, renovation and purchase of physical plant equipment for public buildings owned by the state and under the control of the Property Control Division. The fund shall consist of appropriations, building use fees, gifts, grants, donations and bequests.

- **Procurement Assistance Program Fund**

The Procurement Assistance Program Fund (Fund 58500, reverting and non-reverting, 13-1-185 NMSA 1978) was established as a separate fund in fiscal year 1999. The purpose of separating this activity from the General Fund activities of the State Purchasing Division is to simplify accounting and reporting for its revenues, which include both vendor fees and a federal grant.

- **American Reinvestment and Recovery Act Fund (ARRA)**

The American Reinvestment and Recovery Act Fund (Fund 89000, non-reverting) was administratively created by the Department of Finance and Administration for New Mexico state agencies to capture all financial activity related to the ARRA of 2009.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Combining Balance Sheet -  
Non-Major Special Revenue Funds

AS OF JUNE 30, 2010

	12500 Administrative Costs	28600 Purchasing Division Fees	28700 Public Buildings Repair	58500 Procurement Assistance	89000 American Reinvestment & Recovery Act	Total
<b>ASSETS:</b>						
Investment in the State General Fund Investment Pool	\$ 1,855,185	165,429	5,512,965	5,983	-	7,539,562
Receivables:						
Interest receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other agencies	-	-	-	-	183,418	183,418
Other assets	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,855,185</b>	<b>165,429</b>	<b>5,512,965</b>	<b>5,983</b>	<b>183,418</b>	<b>7,722,980</b>
<b>LIABILITIES:</b>						
Bank overdraft	\$ -	-	-	-	137,121	137,121
Accounts payable	668	13,481	1,433	-	46,297	61,879
Deferred revenue	-	-	-	-	-	-
Accrued payroll	-	17,088	-	-	-	17,088
Due to other funds	-	-	-	-	-	-
Due to State General Fund	-	-	-	-	-	-
Due to other agencies	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>668</b>	<b>30,569</b>	<b>1,433</b>	<b>-</b>	<b>183,418</b>	<b>216,088</b>
<b>FUND BALANCES:</b>						
Reserved for:						
Inventories	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Unreserved	1,854,517	134,860	5,511,532	5,983	-	7,506,892
<b>TOTAL FUND BALANCES</b>	<b>1,854,517</b>	<b>134,860</b>	<b>5,511,532</b>	<b>5,983</b>	<b>-</b>	<b>7,506,892</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,855,185</b>	<b>165,429</b>	<b>5,512,965</b>	<b>5,983</b>	<b>183,418</b>	<b>7,722,980</b>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Non-Major Special Revenue Funds

YEAR ENDED JUNE 30, 2010

	12500	28600	28700	58500	89000	
	Administrative Costs	Purchasing Division Fees	Public Buildings Repair	Procurement Assistance	American Reinvestment and Recovery Act	Total
<b>REVENUES:</b>						
Service fees/premiums	\$ -	393,064	52,400	-	-	445,464
Federal funds	-	-	-	-	1,141,363	1,141,363
Interest income	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>393,064</u>	<u>52,400</u>	<u>-</u>	<u>1,141,363</u>	<u>1,586,827</u>
<b>EXPENDITURES:</b>						
Current expenditures:						
Personnel services	-	243,632	-	-	13,611	257,243
Employee benefits	-	114,342	-	-	4,608	118,950
In-state travel	2,124	1,373	-	-	455	3,952
Out-of-state travel	-	-	-	-	-	-
Maintenance and repairs	-	780	-	-	3,295	4,075
Supplies	15,416	4,511	-	-	-	19,927
Contractual services	131,668	-	-	-	-	131,668
Operating costs	495	-	-	-	-	495
Other costs	42,618	13,428	-	-	-	56,046
Capital outlay	-	-	-	-	1,119,394	1,119,394
<b>TOTAL EXPENDITURES</b>	<u>192,321</u>	<u>378,066</u>	<u>-</u>	<u>-</u>	<u>1,141,363</u>	<u>1,711,750</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(192,321)	14,998	52,400	-	-	(124,923)
<b>OTHER FINANCING SOURCES (USES):</b>						
Severance tax bond proceeds	-	-	-	-	-	-
Intra-agency transfer	599,056	(16,200)	453,297	-	-	1,036,153
Transfers:						
General and special appropriations	-	-	-	-	-	-
Reversions to State General Fund	-	-	-	-	-	-
Other state agency transfers	-	-	50,095	-	-	50,095
<b>NET OTHER FINANCING (USES) SOURCES</b>	<u>599,056</u>	<u>(16,200)</u>	<u>503,392</u>	<u>-</u>	<u>-</u>	<u>1,086,248</u>
<b>NET CHANGE IN FUND BALANCES</b>	406,735	(1,202)	555,792	-	-	961,325
<b>BEGINNING FUND BALANCES</b>	<u>1,447,782</u>	<u>136,062</u>	<u>4,955,740</u>	<u>5,983</u>	<u>-</u>	<u>6,545,567</u>
<b>ENDING FUND BALANCES</b>	<u>\$ 1,854,517</u>	<u>134,860</u>	<u>5,511,532</u>	<u>5,983</u>	<u>-</u>	<u>7,506,892</u>

## MAJOR AND NON-MAJOR FUNDS

### CAPITAL PROJECTS FUNDS DESCRIPTIONS:

- **Capitol Buildings Repair Fund – Major Fund**

The Capitol Buildings Repair Fund (Fund 86300) was created by the Laws of 2001, Chapter 19, Section 17, to account for repairs, remodeling and equipping of capitol buildings and adjacent lands and to repair or replace building machinery and building equipment located in capitol buildings. Financing is provided through transfers from the State Land Office and the State Investment Council of all income, including earnings on investments, derived from lands granted to the State by the U.S. Congress for legislative, executive and judicial public buildings. Balances in this fund are non-reverting.

- **Property Control Reserve Fund**

The Property Control Reserve Fund (Fund 78500) was created by the Laws of 1998, Chapter 58 (15-3-24.2, NMSA 1978) for the purpose of providing a reserve account from which the Property Control Division can purchase or construct state office buildings. Such buildings are to be purchased or built to alleviate the State's reliance on leased offices in Santa Fe, New Mexico. Fund revenues consist mainly of proceeds from the sale of property under the division's control. Expenditures are subject to legislative appropriations and balances are non-reverting.

- **Capital Improvement Funds (Various)**

The Capital Improvement Funds are used to account for the acquisition, improvement, alteration or reconstruction of long-term assets, including gland, buildings, machinery, furniture and equipment. The Capital Improvement Funds are appropriated to the Property Control Division for capital out projects specified by the Legislature in accordance with State statutes. The primary sources of financing for Capital Projects and Capital Improvement Funds are provided through State General Fund appropriations, severance tax bond proceeds and general obligation bond proceeds.

The Capital Improvement Funds include the following:

64100	Laws of 2006 (Major Fund) - reverting
36400	Laws of 2004 - reverting
28500	2004 Tobacco Tax: DOH Facilities - reverting
97000	Laws of 2005 - reverting
30600	Laws of 2003 - reverting
24900	Laws of 2002 - reverting
76600	Laws of 2000 - reverting
35500	Laws of 1999 - reverting

**AS OF JUNE 30, 2010**

	<b>78500</b>	<b>36400</b>	<b>28500</b>	<b>97000</b>	<b>30600</b>
	<b>Property Control Reserve</b>	<b>Laws of 2004</b>	<b>Tobacco Tax: DOH Facilities</b>	<b>Laws of 2005</b>	<b>Laws of 2003</b>
<b>ASSETS:</b>					
Investment in the State General Fund Investment Pool	\$ 3,293,350	348,722	862,722	30,881	392
Receivables:					
Interest receivable	475	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Other assets	-	-	-	-	-
Inventories	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ <u>3,293,825</u></b>	<b><u>348,722</u></b>	<b><u>862,722</u></b>	<b><u>30,881</u></b>	<b><u>392</u></b>
<b>LIABILITIES:</b>					
Bank overdraft	\$ -	-	-	-	-
Accounts payable	281,715	53,342	1,525,900	-	162,553
Deferred revenue	-	295,380	-	349	-
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to State General Fund	-	-	-	30,532	-
Due to other agencies	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>281,715</u></b>	<b><u>348,722</u></b>	<b><u>1,525,900</u></b>	<b><u>30,881</u></b>	<b><u>162,553</u></b>
<b>FUND BALANCES (DEFICIT):</b>					
Reserved for:					
Capital projects	<u>3,012,110</u>	<u>-</u>	<u>(663,178)</u>	<u>-</u>	<u>(162,161)</u>
<b>TOTAL FUND BALANCES</b>	<b><u>3,012,110</u></b>	<b><u>-</u></b>	<b><u>(663,178)</u></b>	<b><u>-</u></b>	<b><u>(162,161)</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>3,293,825</u></b>	<b><u>348,722</u></b>	<b><u>862,722</u></b>	<b><u>30,881</u></b>	<b><u>392</u></b>



STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Combining Balance Sheet -  
Non-Major Capital Projects Funds

24900	76600	35500	
Laws of 2002	Laws of 2000	Laws of 1999	Total
469,090	-	-	5,005,157
-	-	-	475
-	-	-	-
4,112	-	4,224	8,336
-	-	-	-
-	-	-	-
<u>473,202</u>	<u>-</u>	<u>4,224</u>	<u>5,013,968</u>
-	-	4,224	4,224
47,397	-	-	2,070,907
248,450	-	-	544,179
-	-	-	-
-	-	-	-
-	-	-	30,532
-	-	-	-
<u>295,847</u>	<u>-</u>	<u>4,224</u>	<u>2,649,842</u>
<u>177,355</u>	<u>-</u>	<u>-</u>	<u>2,364,126</u>
<u>177,355</u>	<u>-</u>	<u>-</u>	<u>2,364,126</u>
<u>473,202</u>	<u>-</u>	<u>4,224</u>	<u>5,013,968</u>

YEAR ENDED JUNE 30, 2010

	78500 Property Control Reserve	36400 Laws of 2004	28500 Tobacco Tax: DOH Facilities	97000 Laws of 2005
<b>REVENUES:</b>				
Service fees/premiums	\$ -	-	-	-
Federal funds	-	-	-	-
Interest income	4,461	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>349</u>
<b>TOTAL REVENUES</b>	<u>4,461</u>	<u>-</u>	<u>-</u>	<u>349</u>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
In-state travel	-	-	-	-
Out-of-state travel	-	-	-	-
Maintenance & repairs	2,197	841	-	12,429
Supplies	-	-	-	-
Contractual services	-	-	-	-
Operating costs	-	-	-	-
Other costs	-	-	-	-
Capital outlay	<u>897,215</u>	<u>1,223,955</u>	<u>13,990,958</u>	<u>600,795</u>
<b>TOTAL EXPENDITURES</b>	<u>899,412</u>	<u>1,224,796</u>	<u>13,990,958</u>	<u>613,224</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(894,951)	(1,224,796)	(13,990,958)	(612,875)
<b>OTHER FINANCING SOURCES (USES):</b>				
Severance tax bond proceeds	487,273	1,660,008	2,893,266	1,259,056
Intra-agency transfers	(5,000)	(435,212)	(111,600)	-
Transfers:				
General appropriations	-	-	-	-
Reversions to State General Fund	-	-	-	(646,181)
Other State agency transfers	<u>458,099</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>940,372</u>	<u>1,224,796</u>	<u>2,781,666</u>	<u>612,875</u>
<b>NET CHANGE IN FUND BALANCES</b>	45,421	-	(11,209,292)	-
<b>BEGINNING FUND BALANCES</b>	<u>2,966,689</u>	<u>-</u>	<u>10,546,114</u>	<u>-</u>
<b>ENDING FUND BALANCES</b>	\$ <u>3,012,110</u>	<u>-</u>	<u>(663,178)</u>	<u>-</u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Non-Major Capital Projects Funds

30600	24900	76600	35500	
Laws of 2003	Laws of 2002	Laws of 2000	Laws of 1999	Total
-	-	-	-	-
-	-	-	-	-
-	-	-	-	4,461
<u>8,880</u>	-	-	-	<u>9,229</u>
<u>8,880</u>	-	-	-	<u>13,690</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,827	145,023	-	-	170,317
-	-	-	-	-
-	-	-	-	-
-	-	-	3,301	3,301
<u>453,079</u>	<u>4,421</u>	-	<u>24,060</u>	<u>17,194,483</u>
<u>462,906</u>	<u>149,444</u>	-	<u>27,361</u>	<u>17,368,101</u>
(454,026)	(149,444)	-	(27,361)	(17,354,411)
445,285	106,889	263	24,060	6,876,100
-	-	(263)	(17,822)	(569,897)
-	-	-	-	-
-	(19,155)	-	-	(665,336)
-	-	-	(2,379)	455,720
<u>445,285</u>	<u>87,734</u>	-	<u>3,859</u>	<u>6,096,587</u>
(8,741)	(61,710)	-	(23,502)	(11,257,824)
<u>(153,420)</u>	<u>239,065</u>	-	<u>23,502</u>	<u>13,621,950</u>
<u>(162,161)</u>	<u>177,355</u>	-	-	<u>2,364,126</u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Special Revenue Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	ADMINISTRATIVE COSTS			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	<u>500,700</u>	<u>500,700</u>	<u>599,056</u>	<u>98,356</u>
Total revenue	500,700	500,700	599,056	<u><u>98,356</u></u>
Fund balance	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	<b>\$ <u>500,700</u></b>	<b><u>500,700</u></b>		
<b>EXPENDITURES:</b>				
Personnel services and employee benefits	\$ -	-	-	-
Contractual services	360,000	360,000	131,668	228,332
Other costs	140,700	140,700	60,653	80,047
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>500,700</u></b>	<b><u>500,700</u></b>	<b><u>192,321</u></b>	<b><u>308,379</u></b>
<b>NET CHANGE IN FUND BALANCE</b>			<b>\$ <u>406,735</u></b>	

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Special Revenue Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

PURCHASING DIVISION FEES

	Budgeted Amounts		Actual Amounts	Variance From
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ 465,900	465,900	393,064	(72,836)
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	465,900	465,900	393,064	(72,836)
Fund balance	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	<b>\$ 465,900</b>	<b>465,900</b>		
<b>EXPENDITURES:</b>				
Personal services and employee benefits	\$ 396,600	396,600	357,974	38,626
Contractual services	-	-	-	-
Other	53,100	53,100	20,092	33,008
Other financing uses	16,200	16,200	16,200	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 465,900</b>	<b>465,900</b>	<b>394,266</b>	<b>71,634</b>
<b>NET CHANGE IN FUND BALANCE</b>			(1,202)	
<b>FUND BALANCE, JULY 1, 2009</b>			136,062	
<b>FUND BALANCE, JUNE 30, 2010</b>			\$ 134,860	

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Special Revenue Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

		PUBLIC BUILDINGS REPAIR			
		Budgeted Amounts		Actual Amounts	Variance From Final Budget
		Original	Final	(Budgetary Basis)	Positive (Negative)
<b>REVENUES:</b>					
Service fees	\$	-	-	52,400	52,400
Severance tax bond proceeds		-	-	-	-
Appropriations		-	-	-	-
Interest		-	-	-	-
Other revenues		-	-	-	-
Other financing sources		-	-	503,392	503,392
Total revenue		-	-	555,792	555,792
Fund balance		-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>					
	\$	-	-		
<b>EXPENDITURES:</b>					
Personnel services and employee benefits	\$	-	-	-	-
Other costs		-	-	-	-
Other uses		-	-	-	-
<b>TOTAL EXPENDITURES</b>					
	\$	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>				\$	555,792

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Special Revenue Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

**PROCUREMENT ASSISTANCE PROGRAM**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Appropriations	-	-	-	-
Federal funds	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	-	-	-	-
Cash balance	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	<b>\$ -</b>	<b>-</b>		
<b>EXPENDITURES:</b>				
Personnel services and employee benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>			<b>\$ -</b>	

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Special Revenue Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

**AMERICAN REINVESTMENT AND RECOVERY ACT**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Appropriations	-	-	-	-
Federal funds	-	12,000,000	1,141,363	(10,858,637)
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
 Total revenue	 -	 12,000,000	 1,141,363	 <u>(10,858,637)</u>
 Cash balance	 -	 -		
 <b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	 <b>\$ -</b>	 <b><u>12,000,000</u></b>		
 <b>EXPENDITURES:</b>				
Personnel services and employee benefits	\$ -	175,000	18,219	156,781
Contractual services	-	300,000	-	300,000
Other costs	-	11,525,000	1,123,144	10,401,856
Other uses	-	-	-	-
 <b>TOTAL EXPENDITURES</b>	 <b>\$ -</b>	 <b><u>12,000,000</u></b>	 <b><u>1,141,363</u></b>	 <b><u>10,858,637</u></b>
 <b>NET CHANGE IN FUND BALANCE</b>			 <b>\$ -</b>	



STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Capital Projects Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

**PROPERTY CONTROL RESERVE FUND**

	Life-to-Date Budgeted Amounts	FY10 Actual Amounts (Budgetary Basis)	Life-to-Date Actual Amounts (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>				
Service fees	\$ -	-	902,498	902,498
Severance tax bond proceeds	1,500,000	487,273	778,735	(721,265)
Appropriations	-	-	-	-
Interest	-	4,461	22,221	22,221
Other revenues	6,685,000	-	-	(6,685,000)
Other financing sources	<u>47,445,000</u>	<u>458,099</u>	<u>805,924</u>	<u>(46,639,076)</u>
Total revenue	55,630,000	949,833	2,509,378	<u>(53,120,622)</u>
Fund balance	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	<b>\$ <u>55,630,000</u></b>	<b><u>949,833</u></b>		
<b>EXPENDITURES:</b>				
Personnel services/benefits	\$ -	-	-	-
Contractual services	150,000	-	-	150,000
Other	54,897,275	899,412	1,679,634	53,217,641
Other financing uses	<u>582,725</u>	<u>5,000</u>	<u>105,275</u>	<u>477,450</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>55,630,000</u></b>	<b><u>904,412</u></b>	<b><u>1,784,909</u></b>	<b><u>53,845,091</u></b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>\$ <u>45,421</u></b>		

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Capital Projects Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	LAWS OF 2004			
	Life-to-Date Budgeted Amounts	FY10 Actual Amounts (Budgetary Basis)	Life-to-Date Actual Amounts (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Severance tax bond proceeds	1,433,048	1,660,008	1,660,008	226,960
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	1,433,048	1,660,008	<u>1,660,008</u>	<u>226,960</u>
Fund balance	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	<b>\$ <u>1,433,048</u></b>	<b><u>1,660,008</u></b>		
<b>EXPENDITURES:</b>				
Personnel services/benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other	1,433,048	1,224,796	1,224,796	208,252
Other financing uses	-	<u>435,212</u>	<u>435,212</u>	<u>(435,212)</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>1,433,048</u></b>	<b><u>1,660,008</u></b>	<b><u>1,660,008</u></b>	<b><u>(226,960)</u></b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>\$ <u>-</u></b>		

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Capital Projects Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	TOBACCO TAX: DOH FACILITIES			
	Life-to-Date Budgeted Amounts	FY10 Actual Amounts (Budgetary Basis)	Life-to-Date Actual Amounts (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Severance tax bond proceeds	40,231,300	2,893,266	17,174,957	(23,056,343)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	<u>-</u>	<u>-</u>	<u>343,550</u>	<u>343,550</u>
Total revenue	40,231,300	2,893,266	<u>17,518,507</u>	<u>(22,712,793)</u>
Fund balance	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	<b>\$ <u>40,231,300</u></b>	<b><u>2,893,266</u></b>		
<b>EXPENDITURES:</b>				
Personnel services/benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other	39,967,883	13,990,958	29,340,537	10,627,346
Other financing uses	<u>263,417</u>	<u>111,600</u>	<u>124,495</u>	<u>138,922</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>40,231,300</u></b>	<b><u>14,102,558</u></b>	<b><u>29,465,032</u></b>	<b><u>10,766,268</u></b>
<b>NET CHANGE IN FUND BALANCE</b>		(11,209,292)		
<b>FUND BALANCE, JULY 1, 2009</b>		<u>10,546,114</u>		
<b>FUND BALANCE, JUNE 30, 2010</b>		<b>\$ <u>(663,178)</u> *</b>		

\* This fund had \$862,722 invested in the State General Fund Investment Pool at June 30, 2010 to cover this deficit.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Capital Projects Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	LAWS OF 2005			
	Life-to-Date Budgeted Amounts	FY10 Actual Amounts (Budgetary Basis)	Life-to-Date Actual Amounts (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Severance tax bond proceeds	24,464,400	1,259,056	17,406,514	(7,057,886)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	349	349	349
Other financing sources	-	-	-	-
Total revenue	24,464,400	1,259,405	<u>17,406,863</u>	<u>(7,057,537)</u>
Fund balance	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	<b>\$ <u>24,464,400</u></b>	<b><u>1,259,405</u></b>		
<b>EXPENDITURES:</b>				
Personnel services/benefits	\$ -	-	-	-
Contractual services	100,000	-	49,806	50,194
Other	23,823,930	613,224	16,710,876	7,113,054
Other financing uses	540,470	-	-	540,470
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>24,464,400</u></b>	<b><u>613,224</u></b>	<b><u>16,760,682</u></b>	<b><u>7,703,718</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES (USES)</b>		<b>\$ <u>646,181</u></b>		
<b>NON-BUDGETED RECONCILING ITEMS</b>				
Reversions to State General Fund		<u>(646,181)</u>		
<b>NET CHANGE IN FUND BALANCE</b>		<b>\$ <u>-</u></b>		

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Capital Projects Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	LAWS OF 2003			
	Life-to-Date Budgeted Amounts	FY10 Actual Amounts (Budgetary Basis)	Life-to-Date Actual Amounts (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Severance tax bond proceeds	1,978,964	445,285	875,693	(1,103,271)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	8,880	8,880	8,880
Other financing sources	-	-	-	-
Total revenue	1,978,964	454,165	<u>884,573</u>	<u>(1,094,391)</u>
Fund balance	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	<b>\$ <u>1,978,964</u></b>	<b><u>454,165</u></b>		
<b>EXPENDITURES:</b>				
Personnel services/benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other	1,962,464	462,906	913,014	1,049,450
Other financing uses	<u>16,500</u>	-	-	<u>16,500</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>1,978,964</u></b>	<b><u>462,906</u></b>	<b><u>913,014</u></b>	<b><u>1,065,950</u></b>
<b>NET CHANGE IN FUND BALANCE</b>		(8,741)		
<b>FUND BALANCE, JULY 1, 2009</b>		<u>(153,420)</u>		
<b>FUND BALANCE, JUNE 30, 2010</b>		<b>\$ <u>(162,161)</u></b>		

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Capital Projects Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	LAWS OF 2002			
	Life-to-Date Budgeted Amounts	FY10 Actual Amounts (Budgetary Basis)	Life-to-Date Actual Amounts (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>				
Service fees	\$ -	-	308,854	308,854
Severance tax bond proceeds	6,820,634	106,889	470,147	(6,350,487)
Appropriations	6,760,438	-	-	(6,760,438)
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
<b>Total revenue</b>	<b>13,581,072</b>	<b>106,889</b>	<b><u>779,001</u></b>	<b><u>(12,802,071)</u></b>
Fund balance	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>				
	<b>\$ <u>13,581,072</u></b>	<b><u>106,889</u></b>		
<b>EXPENDITURES:</b>				
Personnel services/benefits	\$ -	-	-	-
Contractual services	582,000	-	-	582,000
Other	12,753,322	149,444	582,491	12,170,831
Other financing uses	245,750	-	-	245,750
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>13,581,072</u></b>	<b>149,444</b>	<b><u>582,491</u></b>	<b><u>12,998,581</u></b>
<b>NON-BUDGETED RECONCILING ITEMS</b>				
Reversions to State General Fund		(19,155)		
<b>NET CHANGE IN FUND BALANCE</b>		<b>(61,710)</b>		
<b>FUND BALANCE, JULY 1, 2009</b>		<b><u>239,065</u></b>		
<b>FUND BALANCE, JUNE 30, 2010</b>		<b>\$ <u>177,355</u></b>		

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Capital Projects Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	LAWS OF 2000			
	Life-to-Date Budgeted Amounts	FY10 Actual Amounts (Budgetary Basis)	Life-to-Date Actual Amounts (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Severance tax bond proceeds	-	263	263	263
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	-	263	<u>263</u>	<u>263</u>
Fund balance	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	<b>\$ -</b>	<b><u>263</u></b>		
<b>EXPENDITURES:</b>				
Personnel services/benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Other financing uses	-	263	263	(263)
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b><u>263</u></b>	<b><u>263</u></b>	<b><u>(263)</u></b>
<b>NET CHANGE IN FUND BALANCE</b>		<b>\$ -</b>		

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Non-Major Capital Projects Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	LAWS OF 1999			
	Life-to-Date Budgeted Amounts	FY10 Actual Amounts (Budgetary Basis)	Life-to-Date Actual Amounts (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Severance tax bond proceeds	24,060	24,060	24,060	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
	-	-	-	-
Total revenue	24,060	24,060	<u>24,060</u>	<u>-</u>
Fund balance	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	<b>\$ <u>24,060</u></b>	<b><u>24,060</u></b>		
<b>EXPENDITURES:</b>				
Personnel services/benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other	24,060	27,361	27,361	(3,301)
Other financing uses	-	20,201	20,201	(20,201)
	-	20,201	20,201	(20,201)
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>24,060</u></b>	<b>47,562</b>	<b><u>47,562</u></b>	<b><u>(23,502)</u></b>
<b>NET CHANGE IN FUND BALANCE</b>		<b><u>(23,502)</u></b>		
<b>FUND BALANCE, JULY 1, 2009</b>		<b><u>23,502</u></b>		
<b>FUND BALANCE, JUNE 30, 2010</b>		<b>\$ <u>-</u></b>		



STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Major Capital Project Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

<b>CAPITAL BUILDING REPAIR FUND</b>					
		<b>Life-to-Date Budgeted Amounts</b>	<b>FY10 Actual Amounts (Budgetary Basis)</b>	<b>Life-to-Date Actual Amounts (Budgetary Basis)</b>	<b>Variance Over (Under)</b>
<b>REVENUES:</b>					
Service fees	\$	-	552,743	1,233,318	1,233,318
Severance tax bond proceeds		-	-	-	-
Appropriations		-	-	-	-
Interest		-	20,787	130,485	130,485
Other revenues		-	-	-	-
Other financing sources		<u>24,791,553</u>	<u>5,048,217</u>	<u>10,011,864</u>	<u>(14,779,689)</u>
Total revenue		24,791,553	5,621,747	<u>11,375,667</u>	<u>(13,415,886)</u>
Fund balance		<u>-</u>	<u>-</u>		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>					
	\$	<u>24,791,553</u>	<u>5,621,747</u>		
<b>EXPENDITURES:</b>					
Personnel services/benefits	\$	-	-	-	-
Contractual services		50,000	-	-	50,000
Other		24,535,143	5,107,368	10,875,604	13,659,539
Other financing uses		<u>206,410</u>	<u>39,220</u>	<u>49,815</u>	<u>156,595</u>
<b>TOTAL EXPENDITURES</b>	\$	<u>24,791,553</u>	<u>5,146,588</u>	<u>10,925,419</u>	<u>13,866,134</u>
<b>NET CHANGE IN FUND BALANCE</b>			\$ <u>475,159</u>		

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenditures -  
Major Capital Projects Funds -  
Budget and Actual (Modified Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	LAWS OF 2006			
	Life-to-Date Budgeted Amounts	FY10 Actual Amounts (Budgetary Basis)	Life-to-Date Actual Amounts (Budgetary Basis)	Variance Over (Under)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Severance tax bond proceeds	149,709,194	50,244,213	82,217,977	67,491,217
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	236,000	1,601,425	(1,601,425)
Total revenue	149,709,194	50,480,213	<u>83,819,402</u>	<u>65,889,792</u>
Fund balance	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED</b>	\$ <u>149,709,194</u>	<u>50,480,213</u>		
<b>EXPENDITURES:</b>				
Personnel services/benefits	\$ -	-	-	-
Contractual services	320,000	-	-	320,000
Other	131,887,885	41,175,975	85,785,407	46,102,478
Other financing uses	<u>17,501,309</u>	<u>443,236</u>	<u>2,513,678</u>	<u>14,987,631</u>
<b>TOTAL EXPENDITURES</b>	\$ <u>149,709,194</u>	41,619,211	<u>88,299,085</u>	<u>61,410,109</u>
<b>NON-BUDGETED RECONCILING ITEMS</b>				
Reversions to State General Fund		<u>(8,899,180)</u>		
<b>NET CHANGE IN FUND BALANCE</b>		(38,178)		
<b>FUND BALANCE, JULY 1, 2009</b>		-		
<b>FUND BALANCE, JUNE 30, 2010</b>		\$ <u>(38,178)</u>		

## MAJOR AND NON-MAJOR FUNDS

### ENTERPRISE FUNDS DESCRIPTIONS:

#### **Administrative Services Division and Office of the Secretary**

The Administrative Services Division and Office of the Secretary (Fund 19700, non-reverting) provides program support for the Department. Both Divisions were separated from the General Fund in fiscal year 2002. The Office of the Secretary is responsible to the Governor for the operations of the Department. It is his duty to manage all operations of the Department and to administer and enforce the laws with which he or the Department is charged. The Administrative Services Division provides financial, purchasing, budget and personnel-related services for its parent agency, the General Services Department.

#### **Transportation Services Division**

- **State Transportation Pool** (Major Fund 36500, non-reverting, Chapter 15, Article 8, NMSA 1978) provides transportation for all state agencies in the Santa Fe and Albuquerque, New Mexico areas.
- **Surplus Property Bureau** (Fund 36000, non-reverting, Section 15-4-3 NMSA 1978) administers federal and state surplus property. The surplus property is sold to qualified organizations at a discounted fee prescribed by the United States General Services Administration.
- **State Aircraft Pool** (Fund 41700, non-reverting, Aviation Services Fund, Section 15-9-4.1 NMSA 1978) provides transportation services via the State aircraft to all governmental entities.

#### **Communications Division**

- **State Printing** (Fund 80600, non-reverting) is responsible for all large printing work for the State Government agencies.

#### **Risk Management Division**

- **Public Liability** (Major Fund 35700, non-reverting, Section 15-7-2 NMSA 1978) provides for liability insurance for State agencies and their employees and for any local public body participating in this fund and pays claims and judgments against governmental entities or their employees covered by a certificate of coverage. Financing is provided through collections and transfers from governmental entities and interest on invested funds. This is a major fund.
- **Workers' Compensation Retention** (Major Fund 35900, non-reverting, Section 15-7-6 NMSA 1978) accounts for the purchase and administration of workers' compensation insurance and provides appropriate reserves for workers' compensation coverage for employees of the State agencies. Financing is provided through the collection and transfer of funds from State agencies for workers' compensation, and from interest earned on investments.

## MAJOR AND NON-MAJOR FUNDS

### ENTERPRISE FUNDS DESCRIPTIONS - continued:

#### Risk Management Division - continued

- **Group Insurance Premium Stabilization** (Major Fund 75200, non-reverting, Section 15-7-2C NMSA 1978) is used to account for premiums collected under the Consolidated Omnibus Budget Reconciliation Act (COBRA) from former employees of the Department who have elected to continue their health insurance coverage with the Department's carrier, and for retiree participation in the group insurance plans.

This fund is also used to account for money appropriated, employers' contributions, employees' contributions, insurance proceeds and other income from group life, vision care, dental care, health and disability insurance plans.

- **Risk Management Operating Account** (Fund 35200, non-reverting) serves as an enterprise fund to the other Risk Funds within the Risk Management Division. The Operating Account assesses an administrative fee to the Risk Funds and is reflected in income. The Risk Funds report the assessment as part of expenses within each Risk Fund.
- **State Unemployment Compensation Reserve** (Fund 35300, non-reverting, Section 15-7-2 NMSA 1978) accounts for the administration of all contributions collected and payments made to beneficiaries pursuant to the Unemployment Compensation Law. The fund is self-insured and financing is provided through billings to State government agencies and interest on invested funds.
- **Local Public Body (LPB) Unemployment Compensation** (Fund 35400, non-reverting, Section 15-7-2 NMSA 1978) accounts for the administration of unemployment compensation benefits paid to public employees of local public bodies of the State of New Mexico who have agreed to participate in the fund activity. Financing is provided through assessments made to local public bodies pursuant to the rate schedule prescribed by the Risk Management Division and interest on invested funds.
- **Surety Bond** (Fund 35800, non-reverting, Section 15-7-2 NMSA 1978) accounts for surety bond coverage of all or any portion of the surety bond risk of State agencies covered by a surety bond certificate of coverage issued by the Department. Financing is provided through the collection or transfer of funds from each State agency to cover costs of coverage of employees of that agency, and from interest earned on investments.
- **Employee Assistance Program** (Fund 21500, non-reverting, Section 15-7-2C NMSA 1978) was created under the authority of the Risk Management Division to establish and administer group benefit plans (10-7B-6 through 10-7B-7 NMSA 1978). The purpose of the fund is to account for the collection of premiums from payroll benefit withholding and payments to the service provider.

## MAJOR AND NON-MAJOR FUNDS

### ENTERPRISE FUNDS DESCRIPTIONS - continued:

#### Risk Management Division - continued

- **Public Property Reserve** (Fund 35600, non-reverting, Section 15-7-2 NMSA 1978) accounts for the purchase and administration of property insurance and the payment of any claim covered by a certificate of coverage, used by the Risk Management Division. Financing is provided through assessments to State agencies. Interest on invested funds is retained in the State of New Mexico General Fund.

Rates of the Risk Management Division are based upon the costs of insurance coverage purchased from third-party carriers or the direct cost of coverage for any risk not insured. Rates are also weighted to reflect the respective risk of each agency.

AS OF JUNE 30, 2010

	19700 Administration Services Division	36000 Surplus Property Bureau	41700 State Aircraft Pool	80600 State Printing	35200 Risk Management Operating
<b>ASSETS:</b>					
<b>CURRENT ASSETS:</b>					
Investment in the State General Fund Investment Pool	\$ 378,141	98,759	343,700	-	1,020,733
Receivables:					
Interest receivable	-	-	-	-	-
Accounts/trade receivables	10,642	12,649	52,128	101,596	-
Allowance for doubtful accounts	(7,002)	(6,258)	(22,733)	(25,645)	-
Due from other funds	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Other Assets	-	-	-	-	247
Inventories	<u>23,200</u>	<u>-</u>	<u>-</u>	<u>316,400</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>	<b>404,981</b>	<b>105,150</b>	<b>373,095</b>	<b>392,351</b>	<b>1,020,980</b>
<b>NON-CURRENT ASSETS:</b>					
Capital assets	60,209	119,613	9,674,796	1,463,974	185,677
Accumulated depreciation	<u>(60,209)</u>	<u>(102,296)</u>	<u>(5,975,191)</u>	<u>(1,410,792)</u>	<u>(164,839)</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<b><u>-</u></b>	<b><u>17,317</u></b>	<b><u>3,699,605</u></b>	<b><u>53,182</u></b>	<b><u>20,838</u></b>
<b>TOTAL ASSETS</b>	<b>\$ <u>404,981</u></b>	<b><u>122,467</u></b>	<b><u>4,072,700</u></b>	<b><u>445,533</u></b>	<b><u>1,041,818</u></b>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Combining Statement of Net Assets -  
Non-Major Enterprise Funds

35300 State Unemployment Compensation	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance	35600 Public Property Reserve	Total
4,376,536	1,837,054	1,116,053	737,005	6,869,791	16,777,772
856	409	164	-	1,182	2,611
435,014	34,768	250,559	-	185,424	1,082,780
(435,014)	(34,768)	(250,559)	-	(185,424)	(967,403)
2,400	-	-	-	-	2,400
-	-	-	-	-	-
-	-	-	-	-	247
-	-	-	-	-	339,600
4,379,792	1,837,463	1,116,217	737,005	6,870,973	17,238,007
-	-	-	-	-	11,504,269
-	-	-	-	-	(7,713,327)
-	-	-	-	-	3,790,942
<u>4,379,792</u>	<u>1,837,463</u>	<u>1,116,217</u>	<u>737,005</u>	<u>6,870,973</u>	<u>21,028,949</u>

AS OF JUNE 30, 2010

	19700 Administration Services Division	36000 Surplus Property Bureau	41700 State Aircraft Pool	80600 State Printing	35200 Risk Management Operating
<b>LIABILITIES AND NET ASSETS:</b>					
<b>LIABILITIES:</b>					
<b>CURRENT LIABILITIES:</b>					
Bank overdraft	\$ -	-	-	286,319	-
Claims payable	-	-	-	-	-
Accounts payable	160,225	60,746	21,865	41,226	50,675
Deferred revenue	-	-	-	-	-
Accrued payroll	127,361	20,347	22,271	40,529	200,941
Due to other funds	-	-	-	4,125	1,612
Due to other agencies	-	1,385	-	-	-
Accrued compensated absences	<u>115,108</u>	<u>15,400</u>	<u>34,704</u>	<u>32,360</u>	<u>196,881</u>
<b>TOTAL CURRENT LIABILITIES</b>	402,694	97,878	78,840	404,559	450,109
<b>LONG-TERM LIABILITIES:</b>					
Claims payable	-	-	-	-	-
Compensated absences payable	<u>12,789</u>	<u>1,701</u>	<u>3,855</u>	<u>2,590</u>	<u>15,926</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u>12,789</u>	<u>1,701</u>	<u>3,855</u>	<u>2,590</u>	<u>15,926</u>
<b>TOTAL LIABILITIES</b>	\$ 415,483	99,579	82,695	407,149	466,035
<b>NET ASSETS:</b>					
Invested in capital assets	\$ -	17,317	3,699,605	53,182	20,838
Restricted for insurance/claims	-	-	-	-	-
Unrestricted	<u>(10,502)</u>	<u>5,571</u>	<u>290,400</u>	<u>(14,798)</u>	<u>554,945</u>
<b>TOTAL NET ASSETS</b>	<u>(10,502)</u>	<u>22,888</u>	<u>3,990,005</u>	<u>38,384</u>	<u>575,783</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ <u><u>404,981</u></u>	<u><u>122,467</u></u>	<u><u>4,072,700</u></u>	<u><u>445,533</u></u>	<u><u>1,041,818</u></u>



STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Combining Statement of Net Assets -  
Non-Major Enterprise Funds - continued

35300 State Unemployment Compensation	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance	35600 Public Property Reserve	Total
-	-	-	-	-	286,319
5,471,224	1,144,463	-	-	1,804,064	8,419,751
26,974	16,444	-	391,699	1,145,867	1,915,721
-	-	-	-	-	-
-	-	-	-	28,779	440,228
-	-	-	-	-	5,737
-	-	-	-	-	1,385
-	-	-	-	-	394,453
5,498,198	1,160,907	-	391,699	2,978,710	11,463,594
-	20,908	18,114	-	-	39,022
-	-	-	-	-	36,861
-	20,908	-	-	-	75,883
5,498,198	1,181,815	18,114	391,699	2,978,710	11,539,477
-	-	-	-	-	3,790,942
5,471,224	1,165,371	18,114	-	1,804,064	8,458,773
(6,589,630)	(509,723)	1,079,989	345,306	2,088,199	(2,760,243)
(1,118,406)	655,648	1,098,103	345,306	3,892,263	9,489,472
<u>4,379,792</u>	<u>1,837,463</u>	<u>1,116,217</u>	<u>737,005</u>	<u>6,870,973</u>	<u>21,028,949</u>

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**YEAR ENDED JUNE 30, 2010**

	<b>19700</b>	<b>36000</b>	<b>41700</b>	<b>80600</b>
	<b>Administration</b>	<b>Surplus</b>	<b>State</b>	<b>State</b>
	<b>Services</b>	<b>Property</b>	<b>Aircraft</b>	<b>Printing</b>
	<b>Division</b>	<b>Bureau</b>	<b>Pool</b>	<b>Printing</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>OPERATING REVENUE:</b>				
Service fees/premiums	\$ 17,723	384,323	-	931,249
Federal funds	-	-	-	-
Interest income	-	-	-	-
Other revenue	<u>1,284</u>	<u>134,152</u>	<u>601,662</u>	<u>-</u>
<b>TOTAL REVENUES</b>	19,007	518,475	601,662	931,249
<b>OPERATING EXPENSE:</b>				
Personnel services	1,980,580	295,040	302,312	592,473
Employee benefits	787,066	135,066	149,236	241,728
In-state travel	1,951	470	-	285
Out-of-state travel	700	-	14,193	-
Maintenance and repairs	11,774	-	212,914	1,696
Supplies	28,650	1,722	319	221,952
Contractual services	274,960	25,240	-	-
Depreciation	297	8,247	1,050,489	30,276
Operating costs	398,606	46,196	404,012	356,321
Other costs	<u>-</u>	<u>4,045</u>	<u>-</u>	<u>443</u>
<b>TOTAL EXPENSES</b>	<u>3,484,584</u>	<u>516,026</u>	<u>2,133,475</u>	<u>1,445,174</u>
<b>OPERATING INCOME (LOSS)</b>	(3,465,577)	2,449	(1,531,813)	(513,925)

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Combining Statement of Revenues, Expenses and  
Changes in Net Assets - Non-Major Enterprise Funds

35200 Risk Management Operating	35300 State Unemployment Compensation	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance	35600 Public Property Reserve	Total
-	7,875,443	1,078,026	59,800	282,700	7,303,356	17,932,620
-	-	-	-	-	-	-
-	10,435	4,604	1,577	-	14,070	30,686
<u>239</u>	<u>476,621</u>	<u>75,332</u>	<u>248,519</u>	<u>-</u>	<u>29,221</u>	<u>1,567,030</u>
239	8,362,499	1,157,962	309,896	282,700	7,346,647	19,530,336
2,928,020	-	-	-	-	-	6,098,425
1,452,798	-	-	-	-	-	2,765,894
11,334	-	-	-	-	-	14,040
527	-	-	-	-	-	15,420
10,462	-	-	-	-	3,516	240,362
27,167	-	-	-	-	26,869	306,679
-	122,614	81,742	63,003	585,952	3,644,053	4,797,564
7,840	-	-	-	-	-	1,097,149
421,835	9,643,301	-	264,123	-	8,703,607	20,238,001
<u>44,124</u>	<u>-</u>	<u>2,546,866</u>	<u>-</u>	<u>-</u>	<u>5,130</u>	<u>2,600,608</u>
<u>4,904,107</u>	<u>9,765,915</u>	<u>2,628,608</u>	<u>327,126</u>	<u>585,952</u>	<u>12,383,175</u>	<u>38,174,142</u>
(4,903,868)	(1,403,416)	(1,470,646)	(17,230)	(303,252)	(5,036,528)	(18,643,806)

YEAR ENDED JUNE 30, 2010

	19700 Administration Services Division	36000 Surplus Property	41700 State Aircraft Pool	80600 State Printing
<b>NON-OPERATING</b>				
<b>REVENUE (EXPENSE):</b>				
Intra-agency transfers	\$ 1,779,775	(18,300)	953,600	(23,075)
Loss on disposal of capital assets	-	-	-	-
Transfers:				
General appropriations	-	-	-	-
Other state agency transfers	(877,000)	-	-	-
Other state funds	-	-	-	-
<b>TOTAL NON-OPERATING REVENUE (EXPENSE)</b>	<u>902,775</u>	<u>(18,300)</u>	<u>953,600</u>	<u>(23,075)</u>
<b>CHANGE IN NET ASSETS</b>	(2,562,802)	(15,851)	(578,213)	(537,000)
<b>BEGINNING NET ASSETS</b>	<u>2,552,300</u>	<u>38,739</u>	<u>4,568,218</u>	<u>575,384</u>
<b>ENDING NET ASSETS</b>	\$ <u>(10,502)</u>	<u>22,888</u>	<u>3,990,005</u>	<u>38,384</u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Combining Statement of Revenues, Expenses and  
Changes in Net Assets - Non-Major Enterprise Funds - continued

35200 Risk Management Operating	35300 State Unemployment Compensation	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance	35600 Public Property Reserve	Total
4,929,000	(33,500)	(48,900)	(28,300)	-	(356,400)	7,153,900
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(877,000)
-	-	-	-	-	-	-
<u>4,929,000</u>	<u>(33,500)</u>	<u>(48,900)</u>	<u>(28,300)</u>	<u>-</u>	<u>(356,400)</u>	<u>6,276,900</u>
25,132	(1,436,916)	(1,519,546)	(45,530)	(303,252)	(5,392,928)	(12,366,906)
<u>550,651</u>	<u>318,510</u>	<u>2,175,194</u>	<u>1,143,633</u>	<u>648,558</u>	<u>9,285,191</u>	<u>21,856,378</u>
<u>575,783</u>	<u>(1,118,406)</u>	<u>655,648</u>	<u>1,098,103</u>	<u>345,306</u>	<u>3,892,263</u>	<u>9,489,472</u>

YEAR ENDED JUNE 30, 2010

	19700 Administration Services Division	36000 Surplus Property Bureau	41700 State Aircraft Pool	80600 State Printing
<b>OPERATING ACTIVITIES:</b>				
Fees received	\$ 19,007	519,441	678,988	931,249
Other income	-	-	-	-
Cash paid to suppliers	(857,438)	(10,673)	(933,867)	(210,142)
Cash paid to employees	<u>(2,772,984)</u>	<u>(431,879)</u>	<u>(448,020)</u>	<u>(822,132)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	(3,611,415)	76,889	(702,899)	(101,025)
<b>NON-CAPITAL FINANCING ACTIVITIES:</b>				
Appropriation from/reversion to State General Fund	-	-	-	-
Transfers	<u>902,775</u>	<u>(18,300)</u>	<u>953,600</u>	<u>(23,075)</u>
<b>NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES</b>	902,775	(18,300)	953,600	(23,075)
<b>CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(2,708,640)	58,589	250,701	(124,100)
<b>BEGINNING CASH</b>	<u>3,086,781</u>	<u>40,170</u>	<u>92,999</u>	<u>124,100</u>
<b>ENDING CASH</b>	\$ <u><u>378,141</u></u>	<u><u>98,759</u></u>	<u><u>343,700</u></u>	<u><u>-</u></u>

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Combining Statement of Cash Flows -  
Non-Major Enterprise Funds**

<u>35200</u> <u>Risk</u> <u>Management</u> <u>Operating</u>	<u>35300</u> <u>State</u> <u>Unemployment</u> <u>Compensation</u>	<u>35400</u> <u>LPB</u> <u>Unemployment</u> <u>Compensation</u>	<u>35800</u> <u>Surety</u> <u>Bond</u>	<u>21500</u> <u>Employee</u> <u>Assistance</u>	<u>35600</u> <u>Public</u> <u>Property</u> <u>Reserve</u>	<u>Total</u>
308,484	8,397,255	1,158,119	309,896	282,700	7,346,647	19,951,786
-	-	-	-	-	-	-
(789,601)	(8,717,746)	(2,478,784)	(308,980)	(219,037)	(12,545,660)	(27,071,928)
<u>(4,307,866)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,782,881)</u>
(4,788,983)	(320,491)	(1,320,665)	916	63,663	(5,199,013)	(15,903,023)
-	-	-	-	-	-	-
<u>4,929,000</u>	<u>(33,500)</u>	<u>(48,900)</u>	<u>(28,300)</u>	<u>-</u>	<u>(356,400)</u>	<u>6,276,900</u>
4,929,000	(33,500)	(48,900)	(28,300)	-	(356,400)	6,276,900
(20,000)	-	-	-	-	-	(20,000)
(20,000)	-	-	-	-	-	(20,000)
120,017	(353,991)	(1,369,565)	(27,384)	63,663	(5,555,413)	(9,646,123)
<u>900,716</u>	<u>4,730,527</u>	<u>3,206,619</u>	<u>1,143,437</u>	<u>673,342</u>	<u>12,425,204</u>	<u>26,423,895</u>
<u>1,020,733</u>	<u>4,376,536</u>	<u>1,837,054</u>	<u>1,116,053</u>	<u>737,005</u>	<u>6,869,791</u>	<u>16,777,772</u>

YEAR ENDED JUNE 30, 2010

	19700 Administration Services Division	36000 Surplus Property Bureau	41700 State Aircraft Pool	80600 State Printing
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM:</b>				
<b>OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (3,465,577)	2,449	(1,531,813)	(513,925)
Adjustments:				
Depreciation	297	8,247	1,050,489	30,276
(Increase) Decrease in assets				
Accounts receivable, interest receivable and due from other agencies and funds	24,715	41,319	77,326	60,371
Inventories	(12,532)	-	-	19,704
Other assets	-	966	-	-
Increase (decrease) in liabilities:				
Insurance claim payable	-	-	-	-
Accounts payable and due to other agencies and funds	(152,980)	25,681	(302,429)	290,480
Accrued expenses	15,404	1,282	7,042	9,523
Accrued compensated absences	(20,742)	(3,055)	(3,514)	2,546
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ <u>(3,611,415)</u></b>	<b><u>76,889</u></b>	<b><u>(702,899)</u></b>	<b><u>(101,025)</u></b>



STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Combining Statement of Cash Flows -  
Non-Major Enterprise Funds - continued

35200 Risk Management Operating	35300 State Unemployment Compensation	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance	35600 Public Property Reserve	Total	
(4,903,868)	(1,403,416)	(1,470,646)	(17,230)	-	(303,252)	(5,036,528)	(18,643,806)
7,840	-	-	-	-	-	-	1,097,149
302,881	34,756	157	32	-	1,028	-	542,585
-	-	-	-	-	-	-	7,172
5,364	-	-	-	-	-	-	6,330
-	1,023,501	133,499	18,114	-	(470,825)	-	704,289
(274,152)	26,974	16,325	-	366,915	307,312	-	304,126
59,226	(2,306)	-	-	-	-	-	90,171
<u>13,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,039)</u>
<u>(4,788,983)</u>	<u>(320,491)</u>	<u>(1,320,665)</u>	<u>916</u>	<u>63,663</u>	<u>(5,199,013)</u>	<u>-</u>	<u>(15,903,023)</u>

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Non-Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

ADMINISTRATIVE SERVICES DIVISION

	Budgeted Amounts		Actual Amounts	Variance From
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ -	-	17,723	17,723
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	1,284	1,284
Other financing sources	<u>3,763,500</u>	<u>3,763,500</u>	<u>2,770,075</u>	<u>(993,425)</u>
Total revenue	3,763,500	3,763,500	2,789,082	<u>(974,418)</u>
Net asset balance	<u>2,183,300</u>	<u>2,183,300</u>		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>				
	\$ <u>5,946,800</u>	<u>5,946,800</u>		
<b>EXPENSES:</b>				
Personal services and employee benefits	\$ 2,968,300	2,968,300	2,767,646	200,654
Contractual services	539,100	539,100	274,960	264,140
Other costs	572,100	572,100	441,681	130,419
Other uses	<u>1,867,300</u>	<u>1,867,300</u>	<u>1,867,300</u>	-
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	\$ <u>5,946,800</u>	<u>5,946,800</u>	5,351,587	<u>595,213</u>
<b>DEPRECIATION NOT BUDGETED</b>			<u>297</u>	
<b>TOTAL EXPENSES</b>			<u>5,351,884</u>	
<b>CHANGE IN NET ASSETS</b>			(2,562,802)	
<b>NET ASSETS, JULY 1, 2009</b>			<u>2,552,300</u>	
<b>NET ASSETS, JUNE 30, 2010</b>			\$ <u>(10,502)</u> *	

\* This fund had \$378,141 invested in the State General Fund Investment Pool at June 30, 2010 to cover this deficit.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Non-Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	SURPLUS PROPERTY BUREAU			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ 725,500	725,500	518,475	(207,025)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	725,500	725,500	518,475	<u>(207,025)</u>
Net asset balance	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>	<b>\$ <u>725,500</u></b>	<b><u>725,500</u></b>		
<b>EXPENSES:</b>				
Personnel services and employee benefits	\$ 512,500	512,500	430,106	82,394
Contractual services	42,900	42,900	25,240	17,660
Other	151,800	151,800	52,433	99,367
Other financing uses	<u>18,300</u>	<u>18,300</u>	<u>18,300</u>	-
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ <u>725,500</u></b>	<b><u>725,500</u></b>	526,079	<u>199,421</u>
<b>DEPRECIATION NOT BUDGETED</b>			<u>8,247</u>	
<b>TOTAL EXPENSES</b>			<u>534,326</u>	
<b>CHANGE IN NET ASSETS</b>			(15,851)	
<b>NET ASSETS, JULY 1, 2009</b>			<u>38,739</u>	
<b>NET ASSETS, JUNE 30, 2010</b>			<u>22,888</u>	

See Independent Auditors' Report.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Non-Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	STATE AIRCRAFT POOL			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ 1,798,600	1,798,600	601,662	(1,196,938)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	<u>990,300</u>	<u>990,300</u>	<u>990,300</u>	<u>-</u>
Total revenue	2,788,900	2,788,900	1,591,962	<u>(1,196,938)</u>
Net asset balance	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>	<b>\$ <u>2,788,900</u></b>	<b><u>2,788,900</u></b>		
<b>EXPENSES:</b>				
Personal services and employee benefits	\$ 903,900	903,900	451,548	452,352
Contractual services	4,000	4,000	-	4,000
Other costs	1,844,300	1,844,300	631,438	1,212,862
Other uses	<u>36,700</u>	<u>36,700</u>	<u>36,700</u>	<u>-</u>
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ <u>2,788,900</u></b>	<b><u>2,788,900</u></b>	1,119,686	<u>1,669,214</u>
<b>DEPRECIATION NOT BUDGETED</b>			<u>1,050,489</u>	
<b>TOTAL EXPENSES</b>			<u>2,170,175</u>	
<b>CHANGE IN NET ASSETS</b>			(578,213)	
<b>NET ASSETS, JULY 1, 2009</b>			<u>4,568,218</u>	
<b>NET ASSETS, JUNE 30, 2010</b>			<u>\$ <u>3,990,005</u></u>	

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Non-Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	STATE PRINTING			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ 2,400,800	2,400,800	931,249	(1,469,551)
Appropriations	-	-	-	-
Federal funds	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
	-----	-----	-----	-----
Total revenue	2,400,800	2,400,800	931,249	<u>(1,469,551)</u>
Net asset balance	-----	-----		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>	<b>\$ <u>2,400,800</u></b>	<b><u>2,400,800</u></b>		
<b>EXPENSES:</b>				
Personnel services and employee benefits	\$ 1,290,200	1,290,200	834,201	455,999
Contractual services	13,000	13,000	-	13,000
Other costs	1,005,300	1,005,300	580,697	424,603
Other uses	92,300	92,300	23,075	69,225
	-----	-----	-----	-----
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ <u>2,400,800</u></b>	<b><u>2,400,800</u></b>	<b>1,437,973</b>	<b><u>962,827</u></b>
<b>DEPRECIATION NOT BUDGETED</b>			<u>30,276</u>	
<b>TOTAL EXPENSES</b>			<u>1,468,249</u>	
<b>CHANGE IN NET ASSETS</b>			(537,000)	
<b>NET ASSETS, JULY 1, 2009</b>			<u>575,384</u>	
<b>NET ASSETS, JUNE 30, 2010</b>			<u>\$ 38,384</u>	

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Non-Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	RISK MANAGEMENT OPERATING			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	239	239
Other financing sources	<u>7,130,300</u>	<u>7,130,300</u>	<u>7,130,300</u>	<u>-</u>
Total revenue	7,130,300	7,130,300	7,130,539	<u>239</u>
Net asset balance	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>	<b>\$ <u>7,130,300</u></b>	<b><u>7,130,300</u></b>		
<b>EXPENSES:</b>				
Personnel services and employee benefits	\$ 4,357,600	4,357,600	4,380,818	(23,218)
Contractual services	-	-	-	-
Other costs	571,400	571,400	515,449	55,951
Other uses	<u>2,201,300</u>	<u>2,201,300</u>	<u>2,201,300</u>	<u>-</u>
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>\$ <u>7,130,300</u></b>	<b><u>7,130,300</u></b>	<b>7,097,567</b>	<b><u>32,733</u></b>
<b>DEPRECIATION NOT BUDGETED</b>			<u>7,840</u>	
<b>TOTAL EXPENSES</b>			<u>7,105,407</u>	
<b>CHANGE IN NET ASSETS</b>			<u>\$ 25,132</u>	

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Non-Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	STATE UNEMPLOYMENT COMPENSATION			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Appropriations	-	-	-	-
Interest	-	-	10,435	10,435
Insurance assessments	4,248,500	7,814,600	7,875,443	60,843
Other revenues	-	-	476,621	476,621
Other financing sources	-	-	-	-
Total revenue	4,248,500	7,814,600	8,362,499	<u>547,899</u>
Net asset balance	-	<u>1,008,700</u>		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>	<b>\$ <u>4,248,500</u></b>	<b><u>8,823,300</u></b>		
<b>EXPENSES:</b>				
Contractual services	\$ 170,000	170,000	122,614	47,386
Other costs	4,045,000	8,619,800	9,643,301	(1,023,501)
Other uses	<u>33,500</u>	<u>33,500</u>	<u>33,500</u>	-
<b>TOTAL EXPENSES</b>	<b>\$ <u>4,248,500</u></b>	<b><u>8,823,300</u></b>	<b><u>9,799,415</u></b>	<b><u>(976,115)</u></b>
<b>CHANGE IN NET ASSETS</b>			(1,436,916)	
<b>NET ASSETS, JULY 1, 2009</b>			<u>318,510</u>	
<b>NET ASSETS, JUNE 30, 2010</b>			<u>\$ (1,118,406)</u>	*

\* This fund had \$4,376,536 invested in the State General Fund Investment Pool at June 30, 2010 to cover this deficit.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Non-Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	<b>LOCAL PUBLIC BODY UNEMPLOYMENT COMPENSATION</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance From</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
			<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Appropriations	-	-	-	-
Insurance Assesments	2,528,300	2,528,300	1,153,358	(1,374,942)
Interest	-	-	4,604	4,604
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
 Total revenue	 2,528,300	 2,528,300	 1,157,962	 <u>(1,370,338)</u>
 Net asset balance	 -	 -		
 <b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>	 <b>\$ <u>2,528,300</u></b>	 <b><u>2,528,300</u></b>		
 <b>EXPENSES:</b>				
Contractual services	\$ 80,000	80,000	81,742	(1,742)
Other costs	2,399,400	2,399,400	2,546,866	(147,466)
Other uses	48,900	48,900	48,900	-
 <b>TOTAL EXPENSES</b>	 <b>\$ <u>2,528,300</u></b>	 <b><u>2,528,300</u></b>	 <b><u>2,677,508</u></b>	 <b><u>(149,208)</u></b>
 <b>CHANGE IN NET ASSETS</b>			 (1,519,546)	
 <b>NET ASSETS, JULY 1, 2009</b>			 <u>2,175,194</u>	
 <b>NET ASSETS, JUNE 30, 2010</b>			 <u>\$ 655,648</u>	



STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Non-Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	SURETY BOND			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Appropriations	-	-	-	-
Insurance assessments	158,100	158,100	308,319	150,219
Interest	-	-	1,577	1,577
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
 Total revenue	<u>158,100</u>	<u>158,100</u>	309,896	<u>151,796</u>
 Net asset balance	-	-		
 <b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>	 \$ <u>158,100</u>	 <u>158,100</u>		
 <b>EXPENSES:</b>				
Contractual services	\$ 70,000	70,000	63,003	6,997
Other costs	59,800	59,800	264,123	(204,323)
Other uses	<u>28,300</u>	<u>28,300</u>	<u>28,300</u>	-
 <b>TOTAL EXPENSES</b>	 \$ <u>158,100</u>	 <u>158,100</u>	 <u>355,426</u>	 <u>(197,326)</u>
 <b>CHANGE IN NET ASSETS</b>			(45,530)	
 <b>NET ASSETS, JULY 1, 2009</b>			<u>1,143,633</u>	
 <b>NET ASSETS, JUNE 30, 2010</b>			\$ <u>1,098,103</u>	

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Non-Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

**EMPLOYEE ASSISTANCE PROGRAM**

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Insurance assessments	720,000	720,000	282,700	(437,300)
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	720,000	720,000	282,700	<u>(437,300)</u>
Net asset balance	-	-		
<b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>				
	\$ <u>720,000</u>	<u>720,000</u>		
<b>EXPENSES:</b>				
Personal services and employee benefits	\$ -	-	-	-
Contractual services	720,000	720,000	585,952	134,048
Other costs	-	-	-	-
Other uses	-	-	-	-
<b>TOTAL EXPENSES</b>	\$ <u>720,000</u>	<u>720,000</u>	<u>585,952</u>	<u>134,048</u>
<b>CHANGE IN NET ASSETS</b>			(303,252)	
<b>NET ASSETS, JULY 1, 2009</b>			<u>648,558</u>	
<b>NET ASSETS, JUNE 30, 2010</b>			\$ <u>345,306</u>	

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Non-Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	PUBLIC PROPERTY RESERVE			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Appropriations	-	-	-	-
Insurance Assesments	7,288,700	7,288,700	7,332,577	43,877
Interest	-	-	14,070	14,070
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
 Total revenue	 7,288,700	 7,288,700	 7,346,647	 <u>57,947</u>
 Net asset balance	 <u>1,132,100</u>	 <u>9,932,100</u>		
 <b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>	 <b>\$ <u>8,420,800</u></b>	 <b><u>17,220,800</u></b>		
 <b>EXPENSES:</b>				
Personal services and employee benefits	\$ -	-	-	-
Contractual services	5,093,100	5,093,100	3,644,053	1,449,047
Other costs	2,867,500	11,667,500	8,739,122	2,928,378
Other uses	460,200	460,200	356,400	103,800
 <b>TOTAL EXPENSES</b>	 <b>\$ <u>8,420,800</u></b>	 <b><u>17,220,800</u></b>	 <b><u>12,739,575</u></b>	 <b><u>4,481,225</u></b>
 <b>CHANGE IN NET ASSETS</b>			 (5,392,928)	
 <b>NET ASSETS, JULY 1, 2009</b>			 <u>9,285,191</u>	
 <b>NET ASSETS, JUNE 30, 2010</b>			 <b>\$ <u>3,892,263</u></b>	

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

	PUBLIC LIABILITY			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Appropriations	-	-	-	-
Insurance assessments	34,631,400	34,631,400	35,108,066	476,666
Interest	-	-	102,445	102,445
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
 Total revenue	 34,631,400	 34,631,400	 35,210,511	 <u>579,111</u>
 Net asset balance	 <u>4,471,300</u>	 <u>9,571,300</u>		
 <b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>	 <b>\$ <u>39,102,700</u></b>	 <b><u>44,202,700</u></b>		
 <b>EXPENSES:</b>				
Contractual services	\$ 15,285,000	17,185,000	15,483,845	1,701,155
Other costs	19,125,873	22,325,873	20,357,915	1,967,958
Other uses	<u>4,691,827</u>	<u>4,691,827</u>	<u>4,460,200</u>	<u>231,627</u>
 <b>TOTAL EXPENSES</b>	 <b>\$ <u>39,102,700</u></b>	 <b><u>44,202,700</u></b>	 <b><u>40,301,960</u></b>	 <b><u>3,900,740</u></b>
 <b>CHANGE IN NET ASSETS</b>			 (5,091,449)	
 <b>NET ASSETS, JULY 1, 2009</b>			 <u>(33,364,075)</u>	
 <b>NET ASSETS, JUNE 30, 2010</b>			 \$ <u>(38,455,524) *</u>	

\* This fund had \$62,499,108 invested in the State General Fund Investment Pool at June 30, 2010 to cover this deficit.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

**WORKERS' COMPENSATION RETENTION**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Appropriations	-	-	-	-
Federal funds	-	-	-	-
Insurance assessments	23,011,800	23,011,800	22,902,681	(109,119)
Interest	-	-	16,382	16,382
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
 Total revenue	 23,011,800	 23,011,800	 22,919,063	 <u>(92,737)</u>
 Net asset balance	 <u>486,000</u>	 <u>486,000</u>		
 <b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>				
	\$ <u>23,497,800</u>	<u>23,497,800</u>		
 <b>EXPENSES:</b>				
Contractual services	\$ 4,547,000	4,547,000	1,837,054	2,709,946
Other costs	17,890,214	17,890,214	17,468,239	421,975
Other uses	<u>1,060,586</u>	<u>1,060,586</u>	<u>1,015,000</u>	<u>45,586</u>
 <b>TOTAL EXPENSES</b>	 \$ <u>23,497,800</u>	 <u>23,497,800</u>	 <u>20,320,293</u>	 <u>3,177,507</u>
 <b>CHANGE IN NET ASSETS</b>			 \$ <u>2,598,770</u>	

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

STATE TRANSPORTATION POOL

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Service fees	\$ 7,915,400	7,915,400	8,655,878	740,478
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
 Total revenue	 7,915,400	 7,915,400	 8,655,878	 <u>740,478</u>
 Net asset balance	 <u>3,523,600</u>	 <u>3,523,600</u>		
 <b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>	 <b>\$ <u>11,439,000</u></b>	 <b><u>11,439,000</u></b>		
 <b>EXPENSES:</b>				
Personal services and employee benefits	\$ 1,534,400	1,534,400	1,408,858	125,542
Contractual services	32,100	32,100	24,176	7,924
Other costs	9,560,700	9,560,700	4,632,612	4,928,088
Other uses	311,800	311,800	311,800	-
 <b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	 <b>\$ <u>11,439,000</u></b>	 <b><u>11,439,000</u></b>	 <b>6,377,446</b>	 <b><u>5,061,554</u></b>
 <b>LOSS ON DISPOSAL OF CAPITAL ASSETS NOT BUDGETED</b>			 26,774	
 <b>DEPRECIATION NOT BUDGETED</b>			 <u>2,652,956</u>	
 <b>TOTAL EXPENSES</b>			 <u>9,057,176</u>	
 <b>CHANGE IN NET ASSETS</b>			 (401,298)	
 <b>NET ASSETS, JULY 1, 2009</b>			 <u>14,720,932</u>	
 <b>NET ASSETS, JUNE 30, 2010</b>			 <u>\$ 14,319,634</u>	

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Statement of Revenues and Expenses -  
Major Enterprise Funds -  
Budget and Actual (Accrual Budgetary GAAP Basis)

YEAR ENDED JUNE 30, 2010

**GROUP INSURANCE PREMIUM STABILIZATION**

	<u>Budgeted Amounts</u>		Actual	Variance From
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Service fees	\$ -	-	-	-
Appropriations	-	-	-	-
Insurance assessments	381,788,000	381,788,000	342,308,997	(39,479,003)
Interest	-	-	73,332	73,332
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
 Total revenue	 381,788,000	 381,788,000	 342,382,329	 <u>(39,405,671)</u>
 Net asset balance	 <u>473,000</u>	 <u>473,000</u>		
 <b>TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED</b>				
	\$ <u>382,261,000</u>	<u>382,261,000</u>		
 <b>EXPENSES:</b>				
Contractual services	\$ 22,019,029	22,019,029	18,723,659	3,295,370
Other costs	358,990,600	358,990,600	314,479,952	44,510,648
Other uses	<u>1,251,371</u>	<u>1,251,371</u>	<u>1,188,000</u>	<u>63,371</u>
 <b>TOTAL EXPENSES</b>	 \$ <u>382,261,000</u>	 <u>382,261,000</u>	 <u>334,391,611</u>	 <u>47,869,389</u>
 <b>CHANGE IN NET ASSETS</b>			 \$ <u>7,990,718</u>	

## FIDUCIARY FUNDS DESCRIPTIONS

### **Purchasing Division**

- **The Bond Securities** (Fund 75100) is used to account for bid securities of contractors bidding on construction projects who elect to remit cash directly to State Purchasing instead of obtaining bonding from a surety company.

### **Risk Management Division**

- **The Insurance Carrier Premiums** (Fund 56100) was established in fiscal year 2001 to hold both the employer's and employee's share of vision, long-term care and life insurance premiums until they are remitted to the Davis Vision and Prudential insurance companies. The premiums are collected from state agencies, participating local public bodies and their employees.



STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Combining Statement of Fiduciary Assets and Liabilities -  
Agency Funds

AS OF JUNE 30, 2010

	75100	56100	
	Bond Securities	Insurance Carrier Premiums	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS:</b>			
Cash	\$ 58,209	1,957,514	2,015,723
<b>TOTAL ASSETS</b>	\$ <u>58,209</u>	<u>1,957,514</u>	<u>2,015,723</u>
<b>LIABILITIES:</b>			
Accounts payable	\$ 50,159	1,335,864	1,386,023
Deposits held for others	<u>8,050</u>	<u>621,650</u>	<u>629,700</u>
<b>TOTAL LIABILITIES</b>	\$ <u>58,209</u>	<u>1,957,514</u>	<u>2,015,723</u>

**OTHER SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Schedule of Changes in Assets and Liabilities - Agency Funds

AS OF JUNE 30, 2010

	Balance as of <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance as of <u>June 30, 2010</u>
<b>75100 BOND SECURITIES</b>				
<b>ASSETS:</b>				
Cash	\$ 22,225	176,124	140,140	58,209
<b>TOTAL ASSETS</b>	<u>\$ 22,225</u>	<u>176,124</u>	<u>140,140</u>	<u>58,209</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 9,349	180,950	140,140	50,159
Deposits held in custody for others	<u>12,876</u>	<u>176,124</u>	<u>180,950</u>	<u>8,050</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 22,225</u>	<u>357,074</u>	<u>321,090</u>	<u>58,209</u>
 <b>56100 INSURANCE CARRIER PREMIUMS</b>				
<b>ASSETS:</b>				
Cash	\$ 1,324,682	8,095,887	7,463,055	1,957,514
Deposits due from others	3,745	-	3,745	-
Due from other funds	<u>81,930</u>	<u>-</u>	<u>81,930</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,410,357</u>	<u>8,095,887</u>	<u>7,548,730</u>	<u>1,957,514</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 1,410,357	7,351,103	7,425,596	1,335,864
Deposits held in custody for others	<u>-</u>	<u>7,976,468</u>	<u>7,354,818</u>	<u>621,650</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 1,410,357</u>	<u>15,327,571</u>	<u>14,780,414</u>	<u>1,957,514</u>

**SINGLE AUDIT**

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Schedule of Expenditures of Federal Awards

YEAR ENDED JUNE 30, 2010

Federal Agency/ Pass-Through Agency	Federal Catalog of Domestic Assistance Number	Total Federal Award Expenditures
<b>U.S. DEPARTMENT OF ENERGY:</b>		
<b>ARRA - State Energy Program</b>		
Pass-thru NM Energy and Minerals - Pass-thru identifying number 10-521-R1DOE00001-0076	81.041	\$ <u>1,141,363</u>
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>		\$ <u>1,141,363</u>

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

**Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the State of New Mexico General Services Department and is presented on the modified accrual basis of accounting, as defined by the Governmental Accounting Standards Board. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in, the preparation of the basic, combining, and individual fund financial statements.

**Loans Outstanding/Non-Cash Assistance:**

The Department does not have any outstanding loans with the federal government, nor does it make loans to others or provide non-cash assistance.

**Non-Cash Assistance:**

The Department does not receive any non-cash assistance.

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

Mr. Arturo L. Jaramillo, Secretary  
State of New Mexico  
General Services Department and  
Mr. Hector H. Balderas  
New Mexico State Auditor

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons for the general fund, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the State of New Mexico General Services Department (the Department), as of and for the year ended June 30, 2010, and have issued our report thereon dated December 10, 2010. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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Mr. Arturo L. Jaramillo, Secretary  
State of New Mexico  
General Services Department and  
Mr. Hector H. Balderas  
New Mexico State Auditor

### **Internal Control Over Financial Reporting - continued**

A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A **material weakness** is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Department's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 04-01 and 06-22 to be material weaknesses.

A **significant deficiency** is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 05-07 to be a significant deficiency.

### **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 that are required to be reported under *Government Auditing Standards*.

We noted no other matters that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978.

The Department's responses 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.

Mr. Arturo L. Jaramillo, Secretary  
State of New Mexico  
General Services Department and  
Mr. Hector H. Balderas  
New Mexico State Auditor

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

*Meyers + Company, LLC*

December 10, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Mr. Arturo L. Jaramillo, Secretary  
State of New Mexico  
General Services Department and  
Mr. Hector H. Balderas  
New Mexico State Auditor

**Compliance**

We have audited the State of New Mexico General Services Department's (the Department) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2010. The Department's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the 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, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.



Mr. Arturo L. Jaramillo, Secretary  
State of New Mexico  
General Services Department and  
Mr. Hector H. Balderas  
New Mexico State Auditor

## **Internal Control Over Compliance**

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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Department's responses 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 responses and, accordingly, we express no opinion on the responses.

Mr. Arturo L. Jaramillo, Secretary  
State of New Mexico  
General Services Department and  
Mr. Hector H. Balderas  
New Mexico State Auditor

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

*Meyers + Company, LLC*

December 10, 2010

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Schedule of Findings and Questioned Costs**

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**YEAR ENDED JUNE 30, 2010**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the New Mexico General Services Department (the Department).
2. Three significant deficiencies relating to the audit of financial statements were reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, of which two are considered to be material weaknesses.
3. No instances of non-compliance material to the financial statements of the Department were disclosed during the audit.
4. No deficiencies were disclosed during the audit of the major federal award programs as reported in the Report on Compliance with the Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the Department expresses an unqualified opinion.
6. There were no audit findings that the auditor is required to report under 510(a) of Circular A-133.
7. The programs tested as the major programs included:

<b>Program</b>	<b>CFDA #</b>
<b>U.S. Department of Energy:</b> ARRA – State Energy Program	81.041

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Department was not determined to be a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**04-01 GENERAL LEDGER RECONCILIATION (Material Weakness)**

**Condition:** Timely and accurate financial reporting is critical to the management of the Department. The Administrative Services Division (ASD) is responsible for the accounts and reporting for all divisions of the Department. In addition, with the Department being an internal service fund for the State, the billing and collecting policies and procedures reflect on every other department within the State that utilizes the services of the Department.

General ledger accounts were not properly reconciled throughout the year. Specifically, these were the cash accounts held with the New Mexico State Treasurer's Office, allowance for doubtful accounts, due to/due from other funds, construction in progress, accounts payable, other payroll liabilities, capital outlay expense and reversion expense. In addition, there were no general ledger audits performed during the year related to financial activity. The general ledger audit function, if properly established, could be an effective tool in strengthening internal controls and identifying fraud and errors should they occur. Currently, all accounting tasks seem to be the responsibility of a couple of individuals within the General Ledger (GL) bureau. The review process for financial reporting is lacking due to employee vacancies within the GL bureau. This creates significant risk to the Department.

**Criteria:** DFA's Manual of Model Accounting Practices (MAPs) Volume 1, Chapter 8, Section 3.2 requires monthly reconciliations of all accounts. Individual accounts should be reconciled on a monthly basis. Discrepancies and inconsistencies should be investigated as soon as they are discovered.

**Cause:** Management has previously identified accounts of concern, but lack of proper financial reporting training and management oversight allowed the accounts mentioned above to be materially misstated. Corrections and reconciliations to the accounts were not performed until a recommendation was made by the auditors.

The GL and Budget bureaus are severely understaffed in the accountant/auditor position. This low level of staffing contributed directly to the absence of many reconciliation processes.

**Effect:** Constant problems in receiving and reporting timely and current financial information throughout the year can significantly impact management's ability to effectively guide the Department and the divisions within the Department. In addition, errors or fraud may not be prevented or discovered without proper, consistent and timely reconciliations and financial statement generation. ASD should be support to the other divisions within the Department and other divisions should communicate with ASD on a timely basis. When financial information is inaccurate or untimely, the divisions do not receive the support they need.

STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**04-01 GENERAL LEDGER RECONCILIATION (Material Weakness) - continued**

**Recommendation:** We recommend management review the current responsibilities of the ASD staff. This review should include an assessment of current responsibilities and the strengths and weaknesses of the individuals involved. Tasks should then be reassigned as separate responsibilities for the individual funds. We recommend that this include primary responsibility for all accounting and financial analysis and review responsibility by a separate member of the team. Responsibilities should require monthly reconciliation of all accounts and transactions within the funds prior to generating monthly financial statements. Additionally, we recommend that employees involved in general ledger tasks be provided with cross training in multiple financial reporting areas.

**Management's Response:** In fiscal year 2010, the General Ledger (GL) Bureau performed reconciliations on 22 of the 33 funds in the General Services Department with one staff accountant and an accountant supervisor.

The response to this finding in the audit report for fiscal year 2005 addressed the need to recruit qualified staff and the need to review the responsibilities of the ASD staff. ASD has been reorganized into four bureaus with a focus on defined duties and responsibilities. As of December 13, 2010, the GL Bureau has hired one additional accountant, resulting in a total of three accountants in the GL Bureau. We are confident that the GL Bureau will be able to reconcile all 33 funds in the Department during fiscal year 2011.

**05-07 BUDGET OVERAGES (Significant Deficiency)**

**Condition:** During the current fiscal year, the Department overspent budget categories in the following funds:

Fund	Category	Final Budget Expenditure Variance
35300 State Unemployment Compensation	Other Costs	\$ (1,023,501)
36400 Laws of 2004	Other Financing Uses	\$ (435,212)
35800 Surety Bond	Other Costs	\$ (204,323)
35400 Local Public Body Unemploy. Comp.	Other Costs	\$ (147,466)
35200 Risk Management Operating	Personnel Services	\$ (23,218)
35500 Laws of 1999	Other Financing Uses	\$ (20,201)
35500 Laws of 1999	Other Costs	\$ (3,301)
35400 Local Public Body Unemploy. Comp.	Contractual Services	\$ (1,742)
76600 Laws of 2000	Other Financing uses	\$ (263)

Schedule of Findings and Questioned Costs - continued

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**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**05-07 BUDGET OVERAGES (Significant Deficiency) - continued**

**Condition - continued:** Additionally, Laws of 2003 and Laws of 2006 had actual expenditures in excess of actual revenues by \$8,741 and \$38,178, respectively, resulting in negative fund balances without sufficient cash balances to cover the deficit.

Finally, State Printing Service had actual expenditures in excess of actual revenues by \$537,000, resulting in a negative cash balance at year end of \$286,319.

**Criteria:** According to State Auditor Rule 2.2.2.10, if an agency's expenditures exceed its budget in any category, this fact must be disclosed in a finding.

**Cause:** The Department did not monitor its budget and missed the opportunity to submit a Budget Adjustment Request. The Department failed to submit a budget adjustment request to eliminate the excess of budget to expenditures.

**Effect:** The Department is out of compliance with statutory requirements to obtain approval prior to making expenditures.

**Recommendation:** The budget needs to be monitored and adjustments made on a timely basis in order to avoid overages.

**Management's Response:** The ASD Budget Bureau monitors the agency's operating budgets on a weekly basis. The Budget Bureau together with the Risk Management Division's (RMD) Financial Bureau reviews and monitors the RMD budget, and proposes Budget Adjustment Requests (BARs) when needed. All requests for BARs for RMD were submitted to DFA before the funds reflected a negative balance. Some BARs were not approved for the full amount requested, but in other instances administrative protocol caused delays in processing BARs as actual funds were being depleted. We will work to continue to improve this process.

The ASD Budget Bureau consists of only one person and is severely understaffed. We will work to fill the two vacant positions in the Budget Bureau as additional funds become available to fill vacancies.

Schedule of Findings and Questioned Costs - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

06-22 CAPITAL ASSETS (Material Weakness)

**Condition:** During testwork over capital assets, the following items were noted:

- A timely reconciliation and summarization of all capital assets specifically for buildings, land and construction in progress in the governmental funds was not performed. The reconciliation was performed four months following year end.
- Capital outlay expense in the governmental funds did not agree to capital asset additions, nor was there a reconciliation performed noting an ending variance.
- A building with a value of \$7,293,847 was transferred to the Department from another State agency and was not captured in the initial capital asset roll forward provided to the auditors.
- Land with a value of \$83,406 was transferred to another State agency and was not captured in the initial capital asset roll forward provided to the auditors.

**Criteria:** State agencies shall record and report state owned capital assets in accordance with state law and GAAP. As described in MAPs FIN6, authorized by Section 6-5-2, 13-6-1, NMSA 1978 and GSD Rule 88-101

**Cause:** Lack of effective procedures, internal controls and timely reconciliation in recording additions and deletions of capital assets.

**Effect:** Capital asset balances at the government-wide level could be materially misstated.

**Recommendation:** We recommend a thorough reconciliation process be performed on a monthly basis to ensure capital outlay expenses are tied to capital asset additions, deletions of capital assets are properly removed from any fixed asset roll forwards, construction in progress is properly tracked and capitalized, and transfers of assets to and from other state agencies are properly recorded. The monthly reconciliation should also entail a proper review by a member of management that is not a part of the said performed reconciliation.

**Management's Response:** Management agrees with this finding. ASD began reconciling capital outlay expenses at the end of fiscal year 2010 for expenditures that occurred in fiscal year 2010. We will continue to reconcile capital outlay expenses in fiscal year 2011 that are agreed to additions and deletions of capital assets. We will also have an appropriate member of management review the reconciliations on a monthly basis.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS  
AUDIT

None.



**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Summary Schedule of Prior Year Audit Findings**

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- 04-01 General Ledger Reconciliation (Material Weakness) – Modified and Repeated
- 05-07 Budget Overages (Significant Deficiency) – Modified and Repeated
- 06-01 Incomplete Personnel Files (Significant Deficiency) – Resolved
- 06-10 Lack of Overtime Reporting (Significant Deficiency) – Resolved
- 06-22 Capital Assets (Material Weakness) – Modified and Repeated
- 07-01 Journal Entry Approval (Significant Deficiency) – Resolved
- 09-01 Cash Receipt Not Deposited in Timely Manner (Significant Deficiency) – Resolved

**STATE OF NEW MEXICO  
GENERAL SERVICES DEPARTMENT**

**Exit Conference**

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An exit conference was held with the Department on December 10, 2010. The conference was held at the offices of the General Services Department in Santa Fe, New Mexico. In attendance were:

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT

Arturo Jaramillo, Cabinet Secretary  
Robert Andermann, ASD Director  
Pamelya Herndon, Deputy Secretary  
Mary Martinez, Accounts Receivable Bureau Chief  
Elisa Bally, General Ledger Bureau Chief  
Angie Alire, TSD Financial Manager  
Manuel Sanchez, Office Manager  
Bill Taylor, PCD Director  
Madelyn Gutierrez, Human Resources Bureau Chief  
Lily Mayrant, Property Control Division  
Monica Maestas, General Ledger Accountant/Auditor  
Porfirio Perez, Risk Management Division  
Erik Aaboe, Lead by Example Coordinator

MEYNNERS + COMPANY, LLC

Georgie Ortiz, CPA, CGFM, Principal  
Raul J. Anaya, CPA, CGFM, Manager  
Jason T. Shaw, CPA, Senior Accountant

The financial statements presented in this report have been prepared by the independent auditor. However, they are the responsibility of management, as addressed in the Independent Auditor's Report. Management reviewed and approved the financial statements.