

**STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
Santa Fe, New Mexico**

**FINANCIAL STATEMENTS
June 30, 2011**

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**STATE OF NEW MEXICO GENERAL SERVICE DEPARTMENT
OFFICIAL ROSTER
June 30, 2011**

Office of the Secretary

Ed Burckle, Cabinet Secretary

Division Directors

Karen Baltzley, Information Services Division

Michelle Aubel, Administrative Services Division

Jay Hone, Risk Management Division

Mike Unthank, Building Services Division, Transportation Services Division

Chuck Gara, Property Control Division

Lawrence Maxwell, Purchasing Division

Bob Mesch, State Printing Division, Transportation Services Division

Independent Auditor's Report

Mr. Ed Burckle, 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, 2011, 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, 2011, as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2 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, 2011, 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, 2011, 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, 2011, 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 5, 2011, 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.

The Management's Discussion and Analysis on pages 4 through 10 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.

Clifton Henderson LLP

Albuquerque, New Mexico
December 5, 2011

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

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, 2011. 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, 2011. 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.

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.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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 have a short-term focus. 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:

The 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 the proceeds of specific revenue sources. 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 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.

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.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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, 2011. Total Department net assets for fiscal year 2011 were \$747,111,761. 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, 2011 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:

Public Liability Fund	\$ (44,374,306)
Workers' Compensation Retention	\$ (20,539,269)
State Unemployment Compensation	\$ (4,012,239)

The larger part of the Department's restricted net assets (87.26%) 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 \$(224,191,338) 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 2011 is a result of the Department's investment in capital assets, which caused an overall increase to net assets of \$44,304,109.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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

	<u>FY 2011</u>	<u>(Restated) FY 2010</u>	<u>Amount Change</u>	<u>Total % Change</u>
Assets:				
Current assets	\$ 186,799,965	\$ 192,784,605	\$ (5,984,640)	-3%
Capital assets, net	<u>560,311,796</u>	<u>510,018,519</u>	<u>50,293,277</u>	9%
Total assets	<u>\$ 747,111,761</u>	<u>\$ 702,803,124</u>	<u>\$ 44,308,637</u>	6%
Liabilities:				
Current liabilities	\$ 114,133,548	\$ 104,139,750	\$ 9,993,798	9%
Long-term liabilities	<u>92,581,576</u>	<u>102,570,846</u>	<u>(9,989,270)</u>	-11%
Total liabilities	206,715,124	206,710,596	4,528	0%
Net assets:				
Invested in capital assets	560,311,796	510,018,519	50,293,277	9%
Restricted	204,276,179	195,365,945	8,910,234	4%
Unrestricted	<u>(224,191,338)</u>	<u>(209,291,936)</u>	<u>(14,899,402)</u>	7%
Total net assets	<u>540,396,637</u>	<u>496,092,528</u>	<u>44,304,109</u>	8%
Total liabilities and net assets	<u>\$ 747,111,761</u>	<u>\$ 702,803,124</u>	<u>\$ 44,308,637</u>	6%

Changes in Net Assets: The Department's change in net assets for fiscal year FY11 was an increase of \$44,304,109 (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 15% 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 \$454,288,957, 73% of this amount, or \$335,916,494, 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. \$66,317,330, or 15%, of the total cost pertains to public liability administration and claims payments.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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

	<u>FY 2011</u>	<u>FY 2010</u>	<u>Amount Change</u>	<u>Total % Change</u>
Revenues:				
Program revenues:				
Capital grants and contributions	\$ 11,829,234	\$ 1,141,363	\$ 10,687,871	90%
Charges for services	11,290,499	11,724,478	(433,979)	-4%
Risk management	<u>402,128,917</u>	<u>417,749,001</u>	<u>(15,620,084)</u>	-4%
Total program revenues	425,248,650	430,614,842	(5,366,192)	-1%
General revenues	<u>73,344,416</u>	<u>62,373,098</u>	<u>10,971,318</u>	15%
Total revenues	498,593,066	492,987,940	5,605,126	1%
Expenses:				
Employee group benefits	335,916,494	343,882,604	(7,966,110)	-2%
Risk management	66,317,330	70,158,836	(3,841,506)	-6%
Other expenses	<u>52,055,133</u>	<u>52,425,085</u>	<u>(369,952)</u>	-1%
Total expenses	<u>454,288,957</u>	<u>466,466,525</u>	<u>(12,177,568)</u>	-3%
Change in net assets	44,304,109	26,521,415	17,782,694	40%
Net assets, beginning of year	495,242,982	419,723,075	75,519,907	15%
Restatement	<u>849,546</u>	<u>48,998,492</u>	<u>(48,148,946)</u>	-5668%
Net assets, beginning of year, restated	<u>496,092,528</u>	<u>468,721,567</u>	<u>27,370,961</u>	6%
Net assets, end of year	<u>\$ 540,396,637</u>	<u>\$ 495,242,982</u>	<u>\$ 45,153,655</u>	8%

Governmental Activities: Revenues of governmental activities increased to \$85,421,106. This increase was largely due to federal American Reinvestment and Recovery Act (ARRA) revenue of \$11,829,234 that was new to the Department.

The cost of all governmental activities this year increased to \$31,672,625. This increase was due to additional capital projects and program support activity during the current year.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2011

Business-type Activities: The cost of all business-type activities was \$422,616,332. 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 \$87,037,149, an increase of 25% from the preceding year.

Expenditures from governmental funds totaled \$87,508,027, an increase of 10% from fiscal year 2010. 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 3% from the previous year to \$413,171,960. The decrease in revenues was due to a decrease in premiums for risk liability funds.

Expenses decreased 3% to \$422,616,332. The decrease occurred primarily because of decreases to employee group benefits and claims paid for the risk liability funds.

Budget Comparisons

General Fund: For FY11, total actual revenues of \$13,725,400 varied from budgeted revenues by \$(254,500). Total expenditures were \$1,060,199 under budget due to proper budgeting by the Department throughout the year.

Capital Assets and Debt Management

Capital Assets: The Department's investment in capital assets increased by \$54,150,237 in 2011 (see Note 5), 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 \$92,581,576.

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.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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 \$48,068,356 and estimated outstanding losses and other liabilities of \$92,442,662 shows the public liability fund to be 51% sound.

Requests for Information

This financial report is designed to provide a general overview of the Department's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department's Administrative Services Division, PO Box 6850, Santa Fe, New Mexico 87502.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS
June 30, 2011

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Investment in the State General Fund			
Investment Pool	\$ 29,611,155	\$ 145,391,593	\$ 175,002,748
Receivables:			
Interest receivable	1,711	14,033	15,744
Accounts/trade receivable	-	3,216,266	3,216,266
Allowance for doubtful accounts	-	(1,521,073)	(1,521,073)
Due from (to) other funds	(108,484)	108,484	-
Due from other agencies	9,506,164	-	9,506,164
Other assets	-	215	215
Inventories	<u>224,259</u>	<u>355,642</u>	<u>579,901</u>
Total current assets	39,234,805	147,565,160	186,799,965
NON-CURRENT ASSETS			
Capital assets	916,230,604	39,537,361	955,767,965
Less accumulated depreciation	<u>(364,532,014)</u>	<u>(30,924,155)</u>	<u>(395,456,169)</u>
Total non-current assets	<u>551,698,590</u>	<u>8,613,206</u>	<u>560,311,796</u>
TOTAL ASSETS	<u>\$ 590,933,395</u>	<u>\$ 156,178,366</u>	<u>\$ 747,111,761</u>

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
CURRENT LIABILITIES			
Bank overdraft	\$ 6,106,353	\$ 226,105	\$ 6,332,458
Claims payable	-	85,692,383	85,692,383
Accounts payable	3,083,084	14,260,930	17,344,014
Deferred revenue	1,394,661	-	1,394,661
Accrued payroll	262,978	308,134	571,112
Due to State General Fund	2,145,020	-	2,145,020
Due to other agencies	-	-	-
Accrued compensated absences	<u>255,686</u>	<u>398,214</u>	<u>653,900</u>
Total current liabilities	13,247,782	100,885,766	114,133,548
LONG-TERM LIABILITIES			
Claims payable	-	92,556,888	92,556,888
Compensated absences payable	<u>19,561</u>	<u>5,127</u>	<u>24,688</u>
Total liabilities	13,267,343	193,447,781	206,715,124
NET ASSETS			
Invested in capital assets	551,698,590	8,613,206	560,311,796
Restricted for:			
Insurance/claims	-	178,249,271	178,249,271
Capital projects	26,026,908	-	26,026,908
Unrestricted	<u>(59,446)</u>	<u>(224,131,892)</u>	<u>(224,191,338)</u>
Total net assets	<u>577,666,052</u>	<u>(37,269,415)</u>	<u>540,396,637</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 590,933,395</u>	<u>\$ 156,178,366</u>	<u>\$ 747,111,761</u>

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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Program support	\$ 7,839,567	\$ 1,451,154	\$ -	\$ -
Procurement services	3,236,340	-	-	-
Business office space management/maintenance	37,239	-	-	-
Capital projects	20,559,479	-	-	11,829,234
Total governmental activities	<u>31,672,625</u>	<u>1,451,154</u>	<u>-</u>	<u>11,829,234</u>
BUSINESS-TYPE ACTIVITIES				
Program support	9,475,759	1,511,228	-	-
Risk management	66,317,330	62,759,139	-	-
Employee group benefits	335,916,494	339,369,778	-	-
Transportation services	10,906,749	8,328,117	-	-
Total business-type activities	<u>422,616,332</u>	<u>411,968,262</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 454,288,957</u>	<u>\$ 413,419,416</u>	<u>\$ -</u>	<u>\$ 11,829,234</u>

Net (Expenses) Revenue and Changes in Net Assets

	Governmental Activities	Business-type Activities	Total
	\$ (6,388,413)	\$ -	\$ (6,388,413)
	(3,236,340)	-	(3,236,340)
	(37,239)	-	(37,239)
	<u>(8,730,245)</u>	<u>-</u>	<u>(8,730,245)</u>
	(18,392,237)	-	(18,392,237)
	-	(7,964,531)	(7,964,531)
	-	(3,558,191)	(3,558,191)
	-	3,453,284	3,453,284
	<u>-</u>	<u>(2,578,632)</u>	<u>(2,578,632)</u>
	<u>-</u>	<u>(10,648,070)</u>	<u>(10,648,070)</u>
	<u>(18,392,237)</u>	<u>(10,648,070)</u>	<u>(29,040,307)</u>
GENERAL REVENUES			
Transfers:			
Intra-agency transfers	(197,917)	197,917	-
Severance tax bond proceeds	57,056,121	-	57,056,121
Appropriations - General Fund	13,725,400	469,300	14,194,700
Reversions - General Fund	(2,147,928)	-	(2,147,928)
Other State agency transfers, net	5,100,085	52,228	5,152,313
Interest income	34,502	275,681	310,183
Gain (loss) on disposal	(1,616,043)	208,572	(1,407,471)
Other miscellaneous revenue	<u>186,498</u>	<u>-</u>	<u>186,498</u>
Total general revenues	<u>72,140,718</u>	<u>1,203,698</u>	<u>73,344,416</u>
CHANGE IN NET ASSETS	53,748,481	(9,444,372)	44,304,109
NET ASSETS, BEGINNING	523,917,571	(28,674,589)	495,242,982
RESTATEMENT	<u>-</u>	<u>849,546</u>	<u>849,546</u>
NET ASSETS, BEGINNING, restated	<u>523,917,571</u>	<u>(27,825,043)</u>	<u>496,092,528</u>
NET ASSETS, ENDING	<u>\$ 577,666,052</u>	<u>\$ (37,269,415)</u>	<u>\$ 540,396,637</u>

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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2011

	<u>Major Funds</u>			Other Governmental Funds	Total Governmental
	General Fund	Capital Buildings Repair Fund	Laws of 2006		
ASSETS					
Investment in the State General Fund Investment Pool	\$ 3,227,398	\$ 16,883,403	\$ -	\$ 9,500,354	\$ 29,611,155
Receivables:					
Interest	-	1,506	-	205	1,711
Due from other funds	2,756	-	26,529	125	29,410
Due from other agencies	-	-	3,169,171	6,336,993	9,506,164
Other assets	-	-	-	-	-
Inventories	224,259	-	-	-	224,259
TOTAL ASSETS	\$ 3,454,413	\$ 16,884,909	\$ 3,195,700	\$ 15,837,677	\$ 39,372,699
LIABILITIES					
Bank overdraft	\$ -	\$ -	\$ 1,272,137	\$ 4,834,216	\$ 6,106,353
Accounts payable	733,192	195,451	529,901	1,624,540	3,083,084
Deferred revenue	-	-	1,393,662	999	1,394,661
Accrued payroll	241,377	-	-	21,601	262,978
Due to other funds	110,565	-	-	27,329	137,894
Due to State General Fund	2,145,020	-	-	-	2,145,020
Due to other agencies	-	-	-	-	-
Total liabilities	3,230,154	195,451	3,195,700	6,508,685	13,129,990
FUND BALANCE (DEFICIT)					
Nonspendable:					
Inventories	224,259	-	-	-	224,259
Restricted	-	16,689,458	-	9,337,450	26,026,908
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(8,458)	(8,458)
Total fund balances	224,259	16,689,458	-	9,328,992	26,242,709
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,454,413	\$ 16,884,909	\$ 3,195,700	\$ 15,837,677	\$ 39,372,699

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

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2011**

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS (GOVERNMENTAL FUND BALANCE SHEET)	\$ 26,242,709
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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:	916,230,604
Accumulated depreciation is:	<u>(364,532,014)</u>

Total capital assets	551,698,590
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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.

	<u>(275,247)</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES - (STATEMENT OF NET ASSETS)	<u>\$ 577,666,052</u>
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The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	<u>Major Funds</u>				<u>Total</u>
	<u>General</u>	<u>Capital</u>	<u>Laws of</u>	<u>Other</u>	
	<u>Fund</u>	<u>Buildings</u>	<u>2006</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Repair Fund</u>		<u>Funds</u>	
REVENUES					
Service fees/premiums	\$ -	\$ 687,306	\$ -	\$ 763,848	\$ 1,451,154
Federal funds	-	-	-	11,829,234	11,829,234
Interest income	-	30,038	-	4,464	34,502
Other	2,505	1,107	6,151	176,735	186,498
	<u>2,505</u>	<u>1,107</u>	<u>6,151</u>	<u>176,735</u>	<u>186,498</u>
Total revenues	<u>2,505</u>	<u>718,451</u>	<u>6,151</u>	<u>12,774,281</u>	<u>13,501,388</u>
EXPENDITURES					
Current expenditures:					
Personnel services	5,434,806	-	-	385,131	5,819,937
Employee benefits	1,955,997	-	-	132,755	2,088,752
In-state travel	1,872	-	-	3,395	5,267
Maintenance and repairs	1,445,941	682,787	978,170	1,205,812	4,312,710
Supplies	174,667	-	-	8,800	183,467
Contractual services	392,972	-	-	-	392,972
Operating costs	2,997,094	-	-	239,246	3,236,340
Other costs	-	-	-	31,972	31,972
Capital outlay	326,421	3,692,218	38,381,511	29,036,460	71,436,610
	<u>326,421</u>	<u>3,692,218</u>	<u>38,381,511</u>	<u>29,036,460</u>	<u>71,436,610</u>
Total expenditures	<u>12,729,770</u>	<u>4,375,005</u>	<u>39,359,681</u>	<u>31,043,571</u>	<u>87,508,027</u>
EXCESS (DEFICIENCY) OF					
REVENUES OVER (UNDER)					
EXPENDITURES					
	<u>(12,727,265)</u>	<u>(3,656,554)</u>	<u>(39,353,530)</u>	<u>(18,269,290)</u>	<u>(74,006,639)</u>
OTHER FINANCING					
SOURCES (USES)					
Severance tax bond proceeds	-	-	39,962,025	17,094,096	57,056,121
Intra-agency transfer	(189,931)	(71,024)	(850,325)	913,363	(197,917)
Transfers:					
General and special appropriations	13,725,400	-	-	-	13,725,400
Reversions to State General Fund	(2,145,020)	-	(2,908)	-	(2,147,928)
Other State agency transfers, net	-	5,097,364	282,916	(280,195)	5,100,085
	<u>-</u>	<u>5,097,364</u>	<u>282,916</u>	<u>(280,195)</u>	<u>5,100,085</u>
NET OTHER FINANCING	<u>11,390,449</u>	<u>5,026,340</u>	<u>39,391,708</u>	<u>17,727,264</u>	<u>73,535,761</u>
SOURCES (USES)					
NET CHANGE IN	<u>(1,336,816)</u>	<u>1,369,786</u>	<u>38,178</u>	<u>(542,026)</u>	<u>(470,878)</u>
FUND BALANCES					
FUND BALANCES, BEGINNING OF YEAR	<u>1,561,075</u>	<u>15,319,672</u>	<u>(38,178)</u>	<u>9,871,018</u>	<u>26,713,587</u>
FUND BALANCES, END OF YEAR	<u>\$ 224,259</u>	<u>\$ 16,689,458</u>	<u>\$ -</u>	<u>\$ 9,328,992</u>	<u>\$ 26,242,709</u>

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

**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, 2011**

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES)	\$ (470,878)
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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:	69,122
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Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts were:

Capital outlay	71,436,610
Depreciation expense	<u>(15,670,330)</u>

Excess of depreciation expense over capital outlay	<u>55,766,280</u>
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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:	<u>(1,616,043)</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (STATEMENT OF ACTIVITIES)	<u>\$ 53,748,481</u>
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The accompanying notes are an integral part of the financial statements.

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, 2011

	GENERAL FUND - TOTAL			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Appropriations	\$ 14,185,700	\$ 13,725,400	\$ 13,725,400	\$ -
Interest	-	-	-	-
Other revenues	-	-	2,505	2,505
Other financing sources	<u>254,500</u>	<u>254,500</u>	<u>-</u>	<u>(254,500)</u>
Total revenue	14,440,200	13,979,900	13,727,905	<u>\$ (251,995)</u>
FUND BALANCE	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE BUDGETED	<u>\$ 14,440,200</u>	<u>\$ 13,979,900</u>		
EXPENDITURES				
Personal services and employee benefits	\$ 8,286,000	\$ 8,021,600	7,390,803	\$ 630,797
Contractual services	442,100	428,000	392,972	35,028
Other	5,479,100	5,304,800	4,945,995	358,805
Other financing uses	<u>233,000</u>	<u>225,500</u>	<u>189,931</u>	<u>35,569</u>
TOTAL EXPENDITURES	<u>\$ 14,440,200</u>	<u>\$ 13,979,900</u>	<u>12,919,701</u>	<u>\$ 1,060,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES (USES)			808,204	
NON-BUDGETED RECONCILING ITEMS				
Reversions to State General Fund			<u>(2,145,020)</u>	
NET CHANGE IN FUND BALANCE			(1,336,816)	
FUND BALANCE, BEGINNING OF YEAR			<u>1,561,075</u>	
FUND BALANCE, END OF YEAR			<u>\$ 224,259</u>	

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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS - ENTERPRISE FUNDS
June 30, 2011

	35700	35900
	Public	Workers'
	Liability	Compensation
		Retention
ASSETS		
Current assets:		
Investment in the		
State General Fund Investment Pool	\$ 47,924,332	\$ 14,749,713
Receivables:		
Interest receivable	4,488	1,372
Accounts/trade receivable	282,561	788,376
Allowance for doubtful accounts	(253,322)	(786,205)
Due from other funds	110,297	32,329
Due from other agencies	-	-
Other assets	-	-
Inventories	-	-
Total current assets	48,068,356	14,785,585
Non-current assets:		
Capital assets	-	-
Accumulated depreciation	-	-
Total non-current assets	-	-
TOTAL ASSETS	\$ 48,068,356	\$ 14,785,585

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
\$ 6,863,023	\$ 66,727,641	\$ 9,126,884	\$ 145,391,593
-	7,525	648	14,033
1,524,733	-	620,596	3,216,266
(80,184)	-	(401,362)	(1,521,073)
16,909	-	420,811	580,346
-	-	-	-
215	-	-	215
-	-	355,642	355,642
8,324,696	66,735,166	10,123,219	148,037,022
28,033,093	-	11,504,268	39,537,361
(22,141,945)	-	(8,782,210)	(30,924,155)
5,891,148	-	2,722,058	8,613,206
<u>\$ 14,215,844</u>	<u>\$ 66,735,166</u>	<u>\$ 12,845,277</u>	<u>\$ 156,650,228</u>

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

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF NET ASSETS - ENTERPRISE FUNDS (CONTINUED)**

June 30, 2011

	35700	35900
	Public	Workers'
	Liability	Compensation
	Retention	
LIABILITIES		
Current liabilities:		
Bank overdraft	\$ -	\$ -
Claims payable	24,398,665	9,627,497
Accounts payable	1,302,786	292,045
Deferred revenue	-	-
Accrued payroll	-	-
Due to other funds	-	1,329
Due to other agencies	-	-
Accrued compensated absences	-	-
Total current liabilities	25,701,451	9,920,871
Long-term liabilities:		
Claims payable	66,741,211	25,403,983
Compensated absences payable	-	-
TOTAL LIABILITIES	92,442,662	35,324,854
NET ASSETS		
Invested in capital assets	-	-
Restricted for:		
Insurance/claims	91,139,876	35,031,480
Unrestricted	(135,514,182)	(55,570,749)
Total net assets	(44,374,306)	(20,539,269)
TOTAL LIABILITIES AND NET ASSETS	\$ 48,068,356	\$ 14,785,585

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
\$ -	\$ -	\$ 226,105	\$ 226,105
-	39,688,438	11,977,783	85,692,383
293,476	12,071,698	300,925	14,260,930
-	-	-	-
41,834	-	266,300	308,134
310,745	-	159,788	471,862
-	-	-	-
49,675	-	348,539	398,214
695,730	51,760,136	13,279,440	101,357,628
-	-	411,694	92,556,888
-	-	5,127	5,127
695,730	51,760,136	13,696,261	193,919,643
5,891,148	-	2,722,058	8,613,206
-	39,688,438	12,389,477	178,249,271
7,628,966	(24,713,408)	(15,962,519)	(224,131,892)
13,520,114	14,975,030	(850,984)	(37,269,415)
<u>\$ 14,215,844</u>	<u>\$ 66,735,166</u>	<u>\$ 12,845,277</u>	<u>\$ 156,650,228</u>

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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - ENTERPRISE FUNDS
Year Ended June 30, 2011

	35700	35900
	Public Liability	Workers' Compensation Retention
OPERATING REVENUES		
Service for premiums	\$ 33,158,971	\$ 23,038,803
Federal funds	-	-
Interest income	110,761	34,097
Other revenue	-	-
Total operating revenues	33,269,732	23,072,900
OPERATING EXPENSES		
Personnel services	-	-
Employee benefits	-	-
In-state travel	-	-
Out-of-state travel	-	-
Maintenance and repairs	-	64,283
Supplies	-	750
Contractual services	14,196,650	1,967,990
Depreciation	-	-
Operating costs	244,605	108,547
Other costs	20,297,910	16,556,389
Total operating expenses	34,739,165	18,697,959
Operating income (loss)	(1,469,433)	4,374,941
NON-OPERATING REVENUES (EXPENSES)		
Gain on disposal of capital assets	-	-
Intra-agency transfers	(4,450,517)	(964,900)
Transfers:		
General appropriations	-	-
Other state agency transfers	1,168	33,610
Other state funds	-	-
Total non-operating revenues (expenses)	(4,449,349)	(931,290)
CHANGE TO NET ASSETS	(5,918,782)	3,443,651
NET ASSETS, BEGINNING	(38,455,524)	(23,982,920)
RESTATEMENT		
	-	-
NET ASSETS, BEGINNING	(38,455,524)	(23,982,920)
NET ASSETS, ENDING	\$ (44,374,306)	\$ (20,539,269)

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
\$ 7,479,878	\$ 333,591,225	\$ 14,226,417	\$ 411,495,294
-	-	-	-
-	108,971	21,852	275,681
<u>61,756</u>	<u>-</u>	<u>411,212</u>	<u>472,968</u>
7,541,634	333,700,196	14,659,481	412,243,943
868,672	-	5,643,946	6,512,618
553,156	-	2,280,169	2,833,325
7,194	-	14,760	21,954
50	-	8,639	8,689
1,261,919	18,640	176,557	1,521,399
37,909	-	293,317	331,976
-	18,334,527	4,090,957	38,590,124
2,792,510	-	1,068,883	3,861,393
3,548,334	-	17,434,940	21,336,426
<u>46,588</u>	<u>308,715,532</u>	<u>1,982,009</u>	<u>347,598,428</u>
<u>9,116,332</u>	<u>327,068,699</u>	<u>32,994,177</u>	<u>422,616,332</u>
<u>(1,574,698)</u>	<u>6,631,497</u>	<u>(18,334,696)</u>	<u>(10,372,389)</u>
208,572	-	-	208,572
(153,700)	(1,626,700)	7,393,734	197,917
-	-	469,300	469,300
-	15,484	1,966	52,228
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>54,872</u>	<u>(1,611,216)</u>	<u>7,865,000</u>	<u>928,017</u>
(1,519,826)	5,020,281	(10,469,696)	(9,444,372)
14,319,634	9,954,749	9,489,472	(28,674,589)
<u>720,306</u>	<u>-</u>	<u>129,240</u>	<u>849,546</u>
<u>15,039,940</u>	<u>9,954,749</u>	<u>9,618,712</u>	<u>(27,825,043)</u>
<u>\$ 13,520,114</u>	<u>\$ 14,975,030</u>	<u>\$ (850,984)</u>	<u>\$ (37,269,415)</u>

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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
Year Ended June 30, 2011

	35700	35900
	Public	Workers'
	Liability	Compensation
	<u> </u>	<u>Retention</u>
OPERATING ACTIVITIES		
Fees received	\$ 33,136,827	\$ 23,038,468
Other income	-	-
Cash paid to suppliers	(43,262,254)	(18,074,486)
Cash paid to employees	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	(10,125,427)	4,963,982
NON-CAPITAL FINANCING ACTIVITIES		
Appropriation from/reversion to State General Fund	-	-
Transfers	<u>(4,449,349)</u>	<u>(931,290)</u>
Net cash provided by (used in) non-capital financing activities	(4,449,349)	(931,290)
CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	-	-
Proceeds from the sale capital assets	-	-
Capital lease and expenditures	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(14,574,776)	4,032,692
CASH, BEGINNING OF YEAR	<u>62,499,108</u>	<u>10,717,021</u>
CASH, END OF YEAR	<u>\$ 47,924,332</u>	<u>\$ 14,749,713</u>

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
\$ 7,414,465	\$ 333,700,656	\$ 14,320,128	\$ 411,610,544
61,756	-	-	61,756
(4,625,651)	(324,530,122)	(21,689,104)	(412,181,617)
(1,448,276)	-	(8,146,912)	(9,595,188)
1,402,294	9,170,534	(15,515,888)	(10,104,505)
-	-	469,300	469,300
(153,700)	(1,611,216)	7,395,700	250,145
(153,700)	(1,611,216)	7,865,000	719,445
(6,434)	-	-	(6,434)
210,572	-	-	210,572
-	-	-	-
204,138	-	-	204,138
1,452,732	7,559,318	(7,650,888)	(9,180,922)
5,410,291	59,168,323	16,777,772	154,572,515
<u>\$ 6,863,023</u>	<u>\$ 66,727,641</u>	<u>\$ 9,126,884</u>	<u>\$ 145,391,593</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS (CONTINUED)**

Year Ended June 30, 2011

	35700	35900
	Public	Workers'
	Liability	Compensation
		Retention
RECONCILIATION OF CHANGE IN		
NET ASSETS TO NET CASH		
FROM OPERATING ACTIVITIES		
Operating income (loss)	(1,469,433)	4,374,941
Adjustments:		
Depreciation	-	-
Decrease (increase) in assets:		
Accounts receivable and due from other agencies and funds	(132,905)	(34,432)
Inventories	-	-
Other assets	-	-
Increase (decrease) in liabilities:		
Claims payable	(6,437,044)	771,087
Accounts payable and due to other agencies and funds	(2,086,045)	(147,614)
Accrued expenses	-	-
Accrued compensated absences	-	-
NET CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES	\$ (10,125,427)	\$ 4,963,982

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
(1,574,698)	6,631,497	(18,334,696)	(10,372,389)
2,792,510	-	1,068,883	3,861,393
(66,424)	460	(390,817)	(624,118)
-	-	(16,042)	(16,042)
1,011	-	-	1,011
-	2,264,199	3,930,704	528,946
276,343	274,378	(1,522,344)	(3,205,282)
(19,813)	-	(173,928)	(193,741)
(6,635)	-	(77,648)	(84,283)
<u>\$ 1,402,294</u>	<u>\$ 9,170,534</u>	<u>\$ (15,515,888)</u>	<u>\$ (10,104,505)</u>

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

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2011**

	<u>Agency Funds</u>
ASSETS	
Investment in the State General Fund Investment Pool	\$ <u>636,222</u>
TOTAL ASSETS	<u>\$ 636,222</u>
LIABILITIES	
Accounts payable	\$ 636,072
Deposits held in custody for others	<u>150</u>
TOTAL LIABILITIES	<u>\$ 636,222</u>

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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 1 – DEFINITION OF REPORTING ENTITY

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.

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.

The Department had no component units during the year ended June 30, 2011.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates in Preparing Financial Statements

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.

Financial Reporting Entity

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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 fiduciary funds. 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.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, classified as follows: nonspendable, restricted, committed, assigned and unassigned. The measurement focus is upon determination of changes in financial position rather than upon net income determination. The following are the government fund types:

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 or debt service) that are restricted or committed to expenditures for specific purposes.

Capital Projects Funds – Capital Projects funds are used to account for financial resources that are restricted, committed or assigned 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.

State Transportation Pool – provides transportation for all state agencies in the Santa Fe and Albuquerque, New Mexico areas.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2010, Chapter 6, Section 3, item M, "For the purpose of administering the General Appropriation Act of 2010 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.

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.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

New Pronouncements

The GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), effective for reporting periods after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy of spending constraints for spendable resources and requires disclosure of non-spendable and spendable resources.

Use of Restricted Resources

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Department's policy to use restricted resources first. When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Department's policy to spend committed resources first.

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.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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:

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Subsequent Events

Management evaluated subsequent events through December 5, 2011, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2011, but prior to December 5, 2011, that provided additional evidence about conditions that existed at June 30, 2011 have been recognized in the financial statements for the year ended June 30, 2011. Events or transactions that provided evidence about conditions that did not exist at June 30, 2011, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended June 30, 2011.

NOTE 3 - 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, 2011:

Investment	Balance, June 30, 2011
New Mexico State Treasurer’s Office	
General Fund Investment Pool (Primary Government)	\$ 175,002,748
Agency Fund Total	<u>636,222</u>
Total	<u>\$ 175,638,970</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
June 30, 2011

NOTE 3 - CASH (INVESTMENT IN THE STATE GENERAL FUND 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.

NOTE 4 - INTERFUND AND INTERAGENCY RECEIVABLES AND PAYABLES

	Due From Other Funds.	Due To Other Funds
Governmental Funds:		
General Fund – 17400	\$ 2,756	\$ 110,565
Laws of 2006 – 64100	26,529	-
Other Governmental Funds	<u>125</u>	<u>27,329</u>
Total Governmental Funds	<u>29,410</u>	<u>137,894</u>
Enterprise Funds:		
Public Liability – 35700	110,297	-
Workers Compensation Retention - 35900	32,329	1,329
State Transportation Pool – 36500	16,909	310,745
Other Enterprise Funds	<u>420,811</u>	<u>159,788</u>
Total Enterprise Funds	<u>580,346</u>	<u>471,862</u>
Total All Funds	<u>\$ 609,756</u>	<u>\$ 609,756</u>

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

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 4 - INTERFUND AND INTERAGENCY RECEIVABLES AND PAYABLES (CONTINUED)

Due from other state agencies as of June 30, 2011 are as follows:

Due From Other State Agencies	Fund No.	Amount	Due From Agency/ Purpose	Fund No.	Amount
Laws of 2006	64100	\$3,169,171	DFA/Severance Tax Draw	01900	\$3,169,171
ARRA	89000	1,097,758	EMNRD/Fed. Reimburse.	89000	1,097,758
Laws of 2003	30600	15,682	DFA/Severance Tax Draw	01900	15,682
STB Projects	89200	<u>5,223,553</u>	DFA/Severance Tax Draw	01900	<u>5,223,553</u>
Total All Funds		<u>\$9,506,164</u>			<u>\$9,506,164</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.)

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 5 - CAPITAL ASSETS

Governmental-type Activities	Balance, June 30, 2010	Additions
Building and improvements	\$ 650,417,361	\$ -
Machinery	953,190	356,999
Construction in progress	<u>211,215,783</u>	<u>61,446,977</u>
Total	862,586,334	61,803,976
Accumulated depreciation:		
Buildings and improvements	(378,075,698)	(15,409,349)
Machinery and equipment	<u>(776,638)</u>	<u>(260,981)</u>
Total accumulated depreciation	(378,852,336)	(15,670,330)
Land	<u>13,814,355</u>	<u>9,632,634</u>
Net total	<u>\$ 497,548,353</u>	<u>\$ 55,766,280</u>

Depreciation expense of \$15,670,330 was charged to the Capital Projects function.

\$4,724,258 was reclassified from construction in progress to buildings and improvements, as projects were completed.

Transfers	Deletions	Balance, June 30, 2011
\$ 4,724,258	\$ (31,509,693)	\$ 623,631,926
-	(97,002)	1,213,187
<u>(4,724,258)</u>	<u>-</u>	<u>267,938,502</u>
-	(31,606,695)	892,783,615
-	29,893,610	(363,591,437)
<u>-</u>	<u>97,042</u>	<u>(940,577)</u>
-	29,990,652	(364,532,014)
<u>-</u>	<u>-</u>	<u>23,446,989</u>
<u>\$ -</u>	<u>\$ (1,616,043)</u>	<u>\$ 551,698,590</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 5 – CAPITAL ASSETS (CONTINUED)

Business-type Activities Capital Assets

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

Business-type Activities	Balance, June 30, 2010	Additions	Adjustments/ Deletions	Balance, June 30, 2011
Aircraft, autos and trucks	\$ 38,271,675	\$ 6,433	\$ (684,357)	\$ 37,593,751
Buildings and improvements	1,798	-	-	1,798
Furniture and fixtures	49,843	-	-	49,843
Machinery and equipment	<u>1,891,969</u>	<u>-</u>	<u>-</u>	<u>1,891,969</u>
Total	40,215,285	6,433	(684,357)	39,537,361
Accumulated depreciation:				
Aircraft, autos and trucks	(25,913,483)	(3,840,038)	682,357	(29,071,164)
Buildings and improvements	(1,534)	(144)	-	(1,678)
Furniture and fixtures	(49,843)	-	-	(49,843)
Machinery and equipment	<u>(1,780,259)</u>	<u>(21,211)</u>	<u>-</u>	<u>(1,801,470)</u>
Total accumulated depreciation	(27,745,119)	(3,861,393)	682,357	(30,924,155)
Land	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total	<u>\$ 12,470,166</u>	<u>\$ (3,854,960)</u>	<u>\$ (2,000)</u>	<u>\$ 8,613,206</u>

Depreciation expense of \$3,842,999 was charged to Transportation Services and \$18,394 was charged to Program Support.

NOTE 6 - LEASES (ENTERPRISE FUNDS)

Operating Leases

Lease expenditures/expenses for the year ended June 30, 2011 totaled \$1,348,353. 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.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 6 - LEASES (ENTERPRISE FUNDS) (CONTINUED)

The following is a schedule by year of future minimum lease payments for various buildings, copiers and vehicles at June 30, 2011:

Years ending June 30:

2012	\$ 2,526,153
2013	2,523,247
2014	1,780,324
2015	183,402
2016 and thereafter	<u>-</u>
Total	<u>\$ 7,013,126</u>

NOTE 7 - 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 \$178,249,271 were reported with the Department through June 30, 2011. 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, computed at 3.50% annual rate (except for long-term disability liability, which is computed at 5% annual rate) between June 30, 2011 and the date the claims are ultimately expected to be paid.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 7 - INSURANCE CLAIMS PAYABLE (ENTERPRISE FUNDS) (CONTINUED)

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 June 30, 2010</u>	<u>Incurred (Net of Actuarial Provision)</u>	<u>Payments</u>	<u>Balance June 30, 2011</u>
35300 - State Unemployment	\$ 5,471,224	\$ 8,510,689	\$(5,599,526)	\$ 8,382,387
35400 - Local Public Body	1,165,371	1,910,324	(1,399,218)	1,676,477
35600 - Public Property	1,804,064	7,676,332	(7,164,190)	2,316,206
35700 - Public Liability	97,576,920	20,168,152	(26,605,196)	91,139,876
35800 - Surety Bond	18,114	(3,707)	-	14,407
35900 - Workers' Compensation	34,260,393	16,610,400	(15,839,313)	35,031,480
75200 - Group Insurance Premium	<u>37,424,239</u>	<u>308,647,425</u>	<u>(306,383,226)</u>	<u>39,688,438</u>
Net Total	<u>\$177,720,325</u>	<u>\$363,519,615</u>	<u>\$362,990,669</u>	<u>\$178,249,271</u>

<u>Fund</u>	<u>Balance June 30, 2009</u>	<u>Incurred (Net of Actuarial Provision)</u>	<u>Payments</u>	<u>Balance 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	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>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 8 - 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, 2010</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Amounts Due</u> <u>Within One Year</u>
<u>\$ 344,369</u>	<u>\$ 281,512</u>	<u>\$ (350,634)</u>	<u>\$ 275,247</u>	<u>\$ 255,686</u>

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

<u>Balance</u> <u>June 30, 2010</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Amounts Due</u> <u>Within One Year</u>
<u>\$ 487,624</u>	<u>\$ 106,936</u>	<u>\$ (191,219)</u>	<u>\$ 403,341</u>	<u>\$ 398,214</u>

NOTE 9 - JOINT POWERS AGREEMENTS

The General Services Department entered into an agreement with the Office of the Governor for cooperative funding and representation for collective bargaining cases and negotiations. The Office of the Governor designated the State Personnel Director as the Governor's designee for preparation for collective bargaining negotiations. The State Personnel Office will administer a contract with a consultant to assess the current collective bargaining agreements, develop a strategy for negotiating the new agreements, and provide assistance with other labor issues. The term of this agreement is from May 23, 2011 and will remain in effect until terminated by the Office of the Governor, in writing.

The General Services Department Risk Management Division (GSD RMD) 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 GSD RMD pursuant to the New Mexico Tort Claims Act and GSD RMD's certificate of insurance with NMCD. The term is from July 1, 2008 to June 30, 2012, and is funded with \$987,384 in other state funds. The Department will pay any settlements authorized and any judgments resulting from trials.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2011**

NOTE 9 - JOINT POWERS AGREEMENTS (CONTINUED)

Participants	Responsible Party	Description	Term	Total Amount	Current Year Amount	Books Recorded
Office of the Governor/ GSD	State Personnel Office	See above	May 2011 until terminated by the Office of the Governor	\$682	\$ -	GSD
NMCD/GSD	GSD	See above	July 2008 – June 2012	\$987,384	\$249,817	GSD

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 10 - OPERATING TRANSFERS

Transfers between funds for the year ended June 30, 2011 are as follows:

	Governmental Funds				Total Governmental
	17400 General Fund	86300 Capital Buildings Repair Fund	64100 Laws of 2006	Other Governmental Funds	
Transfers In:					
Governmental Funds:					
Other Governmental Funds	\$ -	\$ (71,024)	\$ (850,325)	\$ 921,349	\$ -
	-	(71,024)	(850,325)	921,349	-
Enterprise Funds:					
Other Enterprise Funds	(189,931)	-	-	(7,986)	(197,917)
Net Transfers In (Out)	<u>\$ (189,931)</u>	<u>\$ (71,024)</u>	<u>\$ (850,325)</u>	<u>\$ 913,363</u>	<u>\$ (197,917)</u>

Transfers Out

		Enterprise Funds					
35700	35900	36500	75200				
Public Liability	Workers' Compensation Retention	State Transportation Pool	Group Insurance Premium Stabilization	Other Enterprise Funds	Total Enterprise Funds		Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
(4,450,517)	(964,900)	(153,700)	(1,626,700)	7,393,734	197,917	-	-
<u>\$ (4,450,517)</u>	<u>\$ (964,900)</u>	<u>\$ (153,700)</u>	<u>\$ (1,626,700)</u>	<u>\$ 7,393,734</u>	<u>\$ 197,917</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 10 - OPERATING TRANSFERS (CONTINUED)

Transfers from (to) other state agencies for the year ended June 30, 2011 are as follows:

<u>State Agency Name - Agency Number</u>	<u>Agency Fund Number</u>	<u>Governmental Funds</u>	
		<u>Laws of 2006</u>	<u>Capital Projects Repair Fund</u>
Dept. of Finance & Administration - 34100	31200	\$ -	\$ -
State Treasurer's Office - 39400	13200	-	-
Legislative Council Service - 11100	39400	282,916	4,179,439
State Investment Council - 33700	07500	-	(114,812)
Dept. of Public Safety - 79000	60100	-	1,032,737
		<u>\$ 282,916</u>	<u>\$ 5,097,364</u>

78500

<u>Other Governmental Funds</u>	<u>Governmental Funds Subtotal</u>
\$ (349)	\$ (349)
-	-
(279,846)	4,182,509
-	(114,812)
-	<u>1,032,737</u>
<u>\$ (280,195)</u>	<u>\$ 5,100,085</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2011

NOTE 10 . OPERATING TRANSFERS (CONTINUED)

<u>State Agency Name - Agency Number</u>	<u>Agency Fund Number</u>	<u>Other Enterprise Funds</u>
		35600
Dept. of Finance & Administration - 34100	31200	\$ -
State Treasurer's Office - 39400	13200	1,966
Legislative Council Service - 11100	39400	-
State Investment Council - 33700	07500	-
Dept. of Public Safety - 79000	60100	-
		\$ 1,966

Enterprise Funds

35700	35900	75200		
	Workers	Benefits and	Enterprise	
Public Liability	Compensation	Rate	Funds	
	Retention	Stabilization	Subtotal	Total
\$ -	\$ -	\$ -	\$ -	\$ (349)
1,168	33,610	15,484	52,228	52,228
-	-	-	-	4,182,509
-	-	-	-	(114,812)
-	-	-	-	1,032,737
<u>\$ 1,168</u>	<u>\$ 33,610</u>	<u>\$ 15,484</u>	<u>\$ 52,228</u>	<u>\$ 5,152,313</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 11 - REVERSIONS

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

		<u>Year of Appropriation</u>	
64100	Laws of 2006	2006	\$ 2,908
17400	General Fund	2009	1,538,059
17400	General Fund	2011	<u>606,961</u>
Total			<u>\$ 2,147,928</u>

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 \$2,908 was paid to the State General Fund during the year. \$2,145,020 is payable at June 30, 2011, and due by September 30, 2011. This payable may be adjusted within 45 days of the release of this audit by the New Mexico Office of the State Auditor.

NOTE 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.

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, 2011, 2010 and 2009 were \$1,689,687, \$1,907,318 and \$2,227,726, respectively, which equal the amount of the required contribution for each fiscal year.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 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.

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, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 through June 30, 2013, the contribution rates for employees and employers will rise as follows:

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

**NOTE 13 - POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(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>
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, 2011, 2010 and 2009 were \$193,678, \$160,855 and \$165,681, respectively, which equal the required contributions for each year.

NOTE 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, 2011, have been included in the actuary's determination of "claims payable."

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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 15 - FUND BALANCE/NET ASSET DEFICITS

The following funds had fund balance/net asset deficits at June 30, 2011:

Government Funds:

36400	Laws of 2004	\$	(4,009)
24900	Laws of 2002	\$	(4,449)

Enterprise Funds:

35400	LBP Unemployment Compensation	\$	(535,452)
35700	Public Liability	\$	(44,374,306)
35900	Workers' Compensation Retention	\$	(20,539,269)
35300	State Unemployment Compensation	\$	(4,012,239)
35600	Public Property Reserve	\$	(1,798,440)

The Public Liability, State Unemployment Compensation and Workers' Compensation Retention funds are Risk Management funds that include claims liabilities (see Note 7, Insurance Claims Payable) based on future actuarial estimated losses from claims incurred that the affected funds would need to pay using June 30, 2011 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.

NOTE 16 - PRIOR PERIOD ADJUSTMENT

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

Service fee billings earned in June of 2010 for the fiscal year ended June 30, 2010 were not captured in that prior fiscal year. The revenue of two enterprise funds, Fund 36500 (State Transportation Pool) and Fund 80600 (State Printing Division) were understated as a result of these billings not being recorded.

As a result of the unrecorded billings, the June 30, 2011 beginning net asset balance for business-type activities was understated by \$849,546.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 16 - PRIOR PERIOD ADJUSTMENT (CONTINUED)

	Fund 36500 State Transportation Pool	Fund 80600 State Printing Division	Total	Total Enterprise Funds
Net assets, beginning of year, as previously stated	\$ 14,319,634	\$ 38,384	\$ 14,358,018	\$ (28,674,589)
Restatement	<u>720,306</u>	<u>129,240</u>	<u>849,546</u>	<u>849,546</u>
Net assets, beginning of year, as restated	<u>\$ 15,039,940</u>	<u>\$ 167,624</u>	<u>\$ 15,207,564</u>	<u>\$ (27,825,043)</u>

NOTE 17 - NEW PRONOUNCEMENTS

In the current fiscal year, GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented. Below are the new classifications:

In the governmental fund financial statements, fund balances are classified as:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State.

Assigned – Amounts that are constrained by the Legislative and Executive branches' intent to be used for specific purposes or, in some cases, by legislation.

Unassigned – All amounts not included in other spendable classifications.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 17 - NEW PRONOUNCEMENTS (CONTINUED)

A summary of the nature and purpose of balances with reserves by fund type at June 30, 2011 follows:

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
86300 Capitol Building Repair Fund			
State Building Repair	\$ 16,689,458	\$ -	\$ -
12500 Administrative Costs			
Capital Projects	2,526,399	-	-
28600 Purchasing Fees			
Procurement Services	386,563	-	-
28700 Public Building Repair			
State Building Repair	2,284,512	-	-
58500 Procurement Assistance Program			
Program Support	5,983	-	-
78500 Property Control Reserve			
Capital Projects	2,316,066	-	-
28500 Tobacco Tax: DOH Facilities			
Capital Projects	1,418,897	-	-
93100 General Fund Projects			
Capital Projects	<u>399,030</u>	<u>-</u>	<u>-</u>
	<u>\$ 26,026,908</u>	<u>\$ -</u>	<u>\$ -</u>

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL 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**

June 30, 2011

	Special Revenue Funds	Capital Projects Funds	Total
ASSETS			
State General Fund Investment Pool at the State Treasurer's Office	\$ 5,231,114	\$ 4,269,240	\$ 9,500,354
Receivables:			
Interest receivable	-	205	205
Due from other funds	125	-	125
Due from other agencies	1,097,758	5,239,235	6,336,993
Other assets	-	-	-
Inventories	-	-	-
	<u>\$ 6,328,997</u>	<u>\$ 9,508,680</u>	<u>\$ 15,837,677</u>
TOTAL ASSETS			
LIABILITIES AND FUND BALANCES			
Liabilities:			
Bank overdraft	\$ 765,200	\$ 4,069,016	\$ 4,834,216
Accounts payable	337,939	1,286,601	1,624,540
Deferred revenue	-	999	999
Accrued payroll	21,601	-	21,601
Due to other funds	800	26,529	27,329
Due to State General Fund	-	-	-
Due to other agencies	-	-	-
	<u>1,125,540</u>	<u>5,383,145</u>	<u>6,508,685</u>
Total liabilities			
FUND BALANCE			
Nonspendable:			
Inventories	-	-	-
Restricted	5,203,457	4,133,993	9,337,450
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(8,458)	(8,458)
	<u>5,203,457</u>	<u>4,125,535</u>	<u>9,328,992</u>
Total fund balances			
	<u>\$ 6,328,997</u>	<u>\$ 9,508,680</u>	<u>\$ 15,837,677</u>
TOTAL LIABILITIES AND FUND BALANCES			

**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, 2011**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
REVENUES			
Service fees/premiums	\$ 763,848	\$ -	\$ 763,848
Federal funds	11,829,234	-	11,829,234
Interest income	-	4,464	4,464
Other	<u>246</u>	<u>176,489</u>	<u>176,735</u>
Total revenues	<u>12,593,328</u>	<u>180,953</u>	<u>12,774,281</u>
EXPENDITURES			
Current:			
Personnel services	385,131	-	385,131
Employee benefits	132,755	-	132,755
In-state travel	3,395	-	3,395
Out-of-state travel	-	-	-
Maintenance and repairs	1,008,600	197,212	1,205,812
Supplies	8,800	-	8,800
Contractual services	-	-	-
Operating costs	460	238,786	239,246
Other costs	31,972	-	31,972
Capital outlay	<u>14,283,396</u>	<u>14,753,064</u>	<u>29,036,460</u>
Total expenditures	<u>15,854,509</u>	<u>15,189,062</u>	<u>31,043,571</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,261,181)</u>	<u>(15,008,109)</u>	<u>(18,269,290)</u>

**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, 2011**

	Special Revenue Funds	Capital Projects Funds	Total
OTHER FINANCING SOURCES (USES):			
Severance tax bond proceeds	\$ -	\$ 17,094,096	\$ 17,094,096
Intra-agency transfer	957,746	(44,383)	913,363
Transfers:			
General appropriations	-	-	-
Reversions to State General Fund	-	-	-
Other state agency transfers	-	(280,195)	(280,195)
	957,746	16,769,518	17,727,264
Total other financing sources (uses)	957,746	16,769,518	17,727,264
NET CHANGE IN FUND BALANCES	(2,303,435)	1,761,409	(542,026)
FUND BALANCES, BEGINNING OF YEAR	7,506,892	2,364,126	9,871,018
FUND BALANCES, END OF YEAR	\$ 5,203,457	\$ 4,125,535	\$ 9,328,992

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 REVENUES FUNDS
 June 30, 2011

	12500 Administrative Costs	28600 Purchasing Division Fees	28700 Public Buildings Repair	58500 Procurement Assistance Program	89000 American Reinvestment & Recovery Act	Total
ASSETS						
Investment in the State General Fund Investment Pool	\$ 2,532,810	\$ 406,377	\$ 2,285,944	\$ 5,983	\$ -	\$ 5,231,114
Receivables:						
Interest receivable	-	-	-	-	-	-
Due from other funds	-	125	-	-	-	125
Due from other agencies	-	-	-	-	1,097,758	1,097,758
Other assets	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
TOTAL ASSETS	\$ 2,532,810	\$ 406,502	\$ 2,285,944	\$ 5,983	\$ 1,097,758	\$ 6,328,997
LIABILITIES						
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ 765,200	\$ 765,200
Accounts payable	6,411	583	1,432	-	329,513	337,939
Deferred revenue	-	-	-	-	-	-
Accrued payroll	-	18,556	-	-	3,045	21,601
Due to other funds	-	800	-	-	-	800
Due to State General Fund	-	-	-	-	-	-
Due to other agencies	-	-	-	-	-	-
Total liabilities	6,411	19,939	1,432	-	1,097,758	1,125,540
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	-	-
Restricted	2,526,399	386,563	2,284,512	5,983	-	5,203,457
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	2,526,399	386,563	2,284,512	5,983	-	5,203,457
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,532,810	\$ 406,502	\$ 2,285,944	\$ 5,983	\$ 1,097,758	\$ 6,328,997

**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, 2011**

	12500 Administrative Costs	28600 Purchasing Division Fees	28700 Public Buildings Repair	58500 Procurement Assistance Program	89000 American Reinvestment and Recovery Act	Total
REVENUES						
Service fees/premiums	\$ -	\$ 704,076	\$ 59,772	\$ -	\$ -	\$ 763,848
Federal funds	-	-	-	-	11,829,234	11,829,234
Interest income	-	-	-	-	-	-
Other	246	-	-	-	-	246
Total revenues	<u>246</u>	<u>704,076</u>	<u>59,772</u>	<u>-</u>	<u>11,829,234</u>	<u>12,593,328</u>
EXPENDITURES						
Current expenditures:						
Personnel services	-	327,046	-	-	58,085	385,131
Employee benefits	-	114,059	-	-	18,696	132,755
In-state travel	2,938	-	-	-	457	3,395
Out-of-state travel	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	1,008,600	1,008,600
Supplies	7,141	1,659	-	-	-	8,800
Contractual services	-	-	-	-	-	-
Operating costs	460	-	-	-	-	460
Other costs	30,350	1,622	-	-	-	31,972
Capital outlay	40,000	-	3,500,000	-	10,743,396	14,283,396
Total expenditures	<u>80,889</u>	<u>444,386</u>	<u>3,500,000</u>	<u>-</u>	<u>11,829,234</u>	<u>15,854,509</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(80,643)	259,690	(3,440,228)	-	-	(3,261,181)
OTHER FINANCING SOURCES (USES)						
Severance tax bond proceeds	-	-	-	-	-	-
Intra-agency transfer	752,525	(7,987)	213,208	-	-	957,746
Transfers:						
General and special appropriations	-	-	-	-	-	-
Reversions to State General Fund	-	-	-	-	-	-
Other state agency transfers	-	-	-	-	-	-
Net other financing sources (uses)	<u>752,525</u>	<u>(7,987)</u>	<u>213,208</u>	<u>-</u>	<u>-</u>	<u>957,746</u>
NET CHANGE IN FUND BALANCES	671,882	251,703	(3,227,020)	-	-	(2,303,435)
FUND BALANCES, BEGINNING	<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>
FUND BALANCES, ENDING	<u>\$ 2,526,399</u>	<u>\$ 386,563</u>	<u>\$ 2,284,512</u>	<u>\$ 5,983</u>	<u>\$ -</u>	<u>\$ 5,203,457</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
- 89200 Severance Tax Bond (STB) Projects – reverting
- 93100 General Fund Projects - reverting

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2011**

	78500 Property Control Reserve	36400 Laws of 2004	28500 Tobacco Tax: DOH Facilities	97000 Laws of 2005
ASSETS				
Investment in the State General Fund Investment Pool	\$ 2,315,861	\$ 3,275	\$ 1,551,074	\$ -
Receivables:				
Interest receivable	205	-	-	-
Due from other funds	-	-	-	-
Due from other agencies	-	-	-	-
Other assets	-	-	-	-
Inventories	-	-	-	-
TOTAL ASSETS	<u>\$ 2,316,066</u>	<u>\$ 3,275</u>	<u>\$ 1,551,074</u>	<u>\$ -</u>
LIABILITIES				
Bank overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	7,284	132,177	-
Deferred revenue	-	-	-	-
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Due to State General Fund	-	-	-	-
Due to other agencies	-	-	-	-
Total liabilities	<u>-</u>	<u>7,284</u>	<u>132,177</u>	<u>-</u>
FUND BALANCES (DEFICIT)				
Nonspendable:				
Inventories	-	-	-	-
Restricted	2,316,066	-	1,418,897	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(4,009)	-	-
Total fund balances	<u>2,316,066</u>	<u>(4,009)</u>	<u>1,418,897</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,316,066</u>	<u>\$ 3,275</u>	<u>\$ 1,551,074</u>	<u>\$ -</u>

30600	24900	76600	35500	89200	93100 General Fund Projects	Total
Laws of 2003	Laws of 2002	Laws of 2000	Laws of 1999	STB Projects		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,030	\$ 4,269,240
-	-	-	-	-	-	205
-	-	-	-	-	-	-
15,682	-	-	-	5,223,553	-	5,239,235
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 15,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,223,553</u>	<u>\$ 399,030</u>	<u>\$ 9,508,680</u>
\$ 14,683	\$ -	\$ -	\$ -	\$ 4,054,333	\$ -	\$ 4,069,016
-	4,449	-	-	1,142,691	-	1,286,601
999	-	-	-	-	-	999
-	-	-	-	-	-	-
-	-	-	-	26,529	-	26,529
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>15,682</u>	<u>4,449</u>	<u>-</u>	<u>-</u>	<u>5,223,553</u>	<u>-</u>	<u>5,383,145</u>
-	-	-	-	-	-	-
-	-	-	-	-	399,030	4,133,993
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(4,449)	-	-	-	-	(8,458)
-	(4,449)	-	-	-	399,030	4,125,535
<u>\$ 15,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,223,553</u>	<u>\$ 399,030</u>	<u>\$ 9,508,680</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NON-MAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2011**

	78500 Property Control Reserve	36400 Laws of 2004	28500 Tobacco Tax: DOH Facilities	97000 Laws of 2005
REVENUES				
Service fees/premiums	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Interest income	4,464	-	-	-
Other	176,489	-	-	-
TOTAL REVENUES	\$ 180,953	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Personnel services	\$ -	\$ -	\$ -	\$ -
Employee benefits	-	-	-	-
In-state travel	-	-	-	-
Out-of-state travel	-	-	-	-
Maintenance & repairs	3,981	-	-	-
Supplies	-	-	-	-
Contractual services	-	-	-	-
Operating costs	-	-	-	-
Other costs	-	-	-	-
Capital outlay	1,542,183	180,344	6,436,332	-
Total expenditures	1,546,164	180,344	6,436,332	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,365,211)	(180,344)	(6,436,332)	-
OTHER FINANCING SOURCES (USES)				
Severance tax bond proceeds	611,535	323,438	8,518,407	349
Intra-agency transfers	(15,000)	(147,103)	-	-
Transfers:				
General appropriations	-	-	-	-
Reversions to State General Fund	-	-	-	-
Other State agency transfers	72,632	-	-	(349)
Total other financing sources (uses)	669,167	176,335	8,518,407	-
NET CHANGE IN FUND BALANCES	(696,044)	(4,009)	2,082,075	-
BEGINNING FUND BALANCES	3,012,110	-	(663,178)	-
ENDING FUND BALANCES	\$ 2,316,066	\$ (4,009)	\$ 1,418,897	\$ -

30600	24900	76600	35500	89200	93100	
Laws of 2003	Laws of 2002	Laws of 2000	Laws of 1999	STB Projects	General Fund Projects	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	4,464
-	-	-	-	-	-	176,489
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,953</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,256	24,337	-	-	165,638	-	197,212
-	-	-	-	-	-	-
-	-	-	-	238,786	-	238,786
-	-	-	-	-	-	-
<u>348,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,200,947</u>	<u>44,614</u>	<u>14,753,064</u>
<u>351,900</u>	<u>24,337</u>	<u>-</u>	<u>-</u>	<u>6,605,371</u>	<u>44,614</u>	<u>15,189,062</u>
(351,900)	(24,337)	-	-	(6,605,371)	(44,614)	(15,008,109)
514,061	315,735	-	-	6,810,571	-	17,094,096
-	(120,724)	-	-	(205,200)	443,644	(44,383)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(352,478)	-	-	-	-	(280,195)
<u>514,061</u>	<u>(157,467)</u>	<u>-</u>	<u>-</u>	<u>6,605,371</u>	<u>443,644</u>	<u>16,769,518</u>
162,161	(181,804)	-	-	-	399,030	1,761,409
<u>(162,161)</u>	<u>177,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,364,126</u>
<u>\$ -</u>	<u>\$ (4,449)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 399,030</u>	<u>\$ 4,125,535</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, 2011**

	ADMINISTRATIVE COSTS			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Budgeted fund balance	-	-	-	-
Other revenues	-	-	246	246
Other financing sources	-	-	752,525	752,525
	<u>-</u>	<u>-</u>	<u>752,525</u>	<u>752,525</u>
Total revenue	-	-	752,771	<u>\$ 752,771</u>
Fund balance	<u>410,900</u>	<u>410,900</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 410,900</u>	<u>\$ 410,900</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	300,000	300,000	-	300,000
Other costs	110,900	110,900	80,889	30,011
Other uses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 410,900</u>	<u>\$ 410,900</u>	<u>80,889</u>	<u>\$ 330,011</u>
NET CHANGE IN FUND BALANCE			671,882	
FUND BALANCE, JULY 1, 2010			<u>1,854,517</u>	
FUND BALANCE, JUNE 30, 2011			<u>\$ 2,526,399</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) (CONTINUED)
Year Ended June 30, 2011

	PURCHASING DIVISION FEES			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Service fees	\$ 260,000	\$ 260,000	\$ 704,076	\$ 444,076
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	365,200	365,200	-	(365,200)
Other financing sources	-	-	-	-
Total revenue	625,200	625,200	704,076	<u>\$ 78,876</u>
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 625,200</u>	<u>\$ 625,200</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ 571,800	\$ 571,800	441,105	\$ 130,695
Contractual services	-	-	-	-
Other costs	37,200	37,200	3,281	33,919
Other uses	16,200	16,200	7,987	8,213
TOTAL EXPENDITURES	<u>\$ 625,200</u>	<u>\$ 625,200</u>	<u>452,373</u>	<u>\$ 172,827</u>
NET CHANGE IN FUND BALANCE			251,703	
FUND BALANCE, JULY 1, 2010			<u>134,860</u>	
FUND BALANCE, JUNE 30, 2011			<u>\$ 386,563</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) (CONTINUED)
Year Ended June 30, 2011

PUBLIC BUILDINGS REPAIR				
	<u>Budgeted Amounts</u>		Actual	Variance From
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
REVENUES				
Service fees	\$ 3,500,000	\$ 3,500,000	\$ 59,772	\$ (3,440,228)
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	213,208	213,208
	<u>3,500,000</u>	<u>3,500,000</u>	<u>272,980</u>	<u>\$ (3,227,020)</u>
Total revenue				
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 3,500,000</u>	<u>\$ 3,500,000</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	-	-	-	-
Other costs	3,500,000	3,500,000	3,500,000	-
Other uses	-	-	-	-
	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>\$ -</u>
TOTAL EXPENDITURES				
NET CHANGE IN FUND BALANCE			(3,227,020)	
FUND BALANCE, JULY 1, 2010			<u>5,511,532</u>	
FUND BALANCE, JUNE 30, 2011			<u>\$ 2,284,512</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) (CONTINUED)
Year Ended June 30, 2011

PROCUREMENT ASSISTANCE PROGRAM

	<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>
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	-	-	-	<u>\$ -</u>
Fund balance	<hr/>	<hr/>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE				-
FUND BALANCE, JULY 1, 2010			<u>5,983</u>	
FUND BALANCE, JUNE 30, 2011			<u>\$ 5,983</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) (CONTINUED)
Year Ended June 30, 2011

AMERICAN REINVESTMENT AND RECOVERY ACT

	<u>Budgeted Amounts</u>		Actual	Variance From
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
REVENUES				
Federal revenue	\$ 16,947,772	\$ 16,947,772	\$ 11,829,234	\$ (5,118,538)
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	16,947,772	16,947,772	11,829,234	<u>\$ (5,118,538)</u>
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 16,947,772</u>	<u>\$ 16,947,772</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ 175,000	\$ 175,000	76,781	\$ 98,219
Contractual services	300,000	300,000	-	300,000
Other costs	16,472,772	16,472,772	11,752,453	4,720,319
Other uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 16,947,772</u>	<u>\$ 16,947,772</u>	11,829,234	<u>\$ 5,118,538</u>
NET CHANGE IN FUND BALANCE			-	
FUND BALANCE, JULY 1, 2010			-	
FUND BALANCE, JUNE 30, 2011			<u>\$ -</u>	

**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, 2011**

	PROPERTY CONTROL RESERVE FUND			
	Life-to-Date	FY11 Actual	Life-to-Date	Variance
	Budgeted	Amounts	Accrual Amounts	
Amounts	(Budgetary Basis)	(Budgetary Basis)	Over (Under)	
REVENUES				
Service fees	\$ -	\$ -	\$ 902,498	\$ 902,498
Severance tax bond proceeds	1,500,000	-	778,735	(721,265)
Appropriations	-	-	-	-
Interest	-	4,464	26,685	26,685
Other revenues	6,685,000	176,489	176,489	(6,508,511)
Other financing sources	<u>47,445,000</u>	<u>684,167</u>	<u>1,490,091</u>	<u>(45,954,909)</u>
Total revenue	55,630,000	865,120	<u>\$ 3,374,498</u>	<u>\$ (52,255,502)</u>
Fund balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 55,630,000</u>	<u>865,120</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	125,000	-	-	125,000
Other costs	54,922,275	1,546,164	3,225,798	51,696,477
Other uses	<u>582,725</u>	<u>15,000</u>	<u>120,275</u>	<u>462,450</u>
TOTAL EXPENDITURES	<u>\$ 55,630,000</u>	<u>1,561,164</u>	<u>\$ 3,346,073</u>	<u>\$ 52,283,927</u>
NET CHANGE IN FUND BALANCE		(696,044)		
FUND BALANCE, JULY 1, 2010		<u>3,012,110</u>		
FUND BALANCE, JUNE 30, 2011		<u>\$ 2,316,066</u>		

**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) (CONTINUED)
Year Ended June 30, 2011**

	LAWS OF 2004			
	Life-to-Date	FY11 Actual	Life-to-Date	Variance
	Budgeted Amounts	Amounts (Budgetary Basis)	Accrual Amounts (Budgetary Basis)	Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	1,580,153	323,438	1,983,446	403,293
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	1,580,153	323,438	<u>\$ 1,983,446</u>	<u>\$ 403,293</u>
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 1,580,153</u>	<u>323,438</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	1,433,048	180,344	1,405,140	27,908
Other uses	147,103	147,103	147,103	-
TOTAL EXPENDITURES	<u>\$ 1,580,151</u>	<u>327,447</u>	<u>\$ 1,552,243</u>	<u>\$ 27,908</u>
NET CHANGE IN FUND BALANCE		431,203		
FUND BALANCE, JULY 1, 2010		-		
FUND BALANCE, JUNE 30, 2011		<u>\$ 431,203</u>		

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) (CONTINUED)
Year Ended June 30, 2011

TOBACCO TAX: DOH FACILITIES				
	Life-to-Date Budgeted Amounts	FY11 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	38,318,728	8,518,407	25,693,364	(12,625,364)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	8,861,957	8,861,957
	<u>-</u>	<u>-</u>	<u>8,861,957</u>	<u>8,861,957</u>
Total revenue	38,318,728	8,518,407	<u>\$ 34,555,321</u>	<u>\$ (3,763,407)</u>
Fund balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 38,318,728</u>	<u>8,518,407</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	38,055,311	6,436,332	35,776,869	2,278,442
Other uses	263,417	-	124,495	138,922
	<u>38,055,311</u>	<u>6,436,332</u>	<u>35,776,869</u>	<u>2,278,442</u>
TOTAL EXPENDITURES	<u>\$ 38,318,728</u>	<u>6,436,332</u>	<u>\$ 35,901,364</u>	<u>\$ 2,417,364</u>
NET CHANGE IN FUND BALANCE		2,082,075		
FUND BALANCE, JULY 1, 2010		<u>(663,178)</u>		
FUND BALANCE, JUNE 30, 2011		<u>\$ 1,418,897</u>		

**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) (CONTINUED)
Year Ended June 30, 2011**

	LAWS OF 2005			
	Life-to-Date Budgeted Amounts	FY11 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	-	349	349	349
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	-	349	<u>\$ 349</u>	<u>\$ 349</u>
Fund balance	<hr/>	<hr/>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ -</u>	<u>349</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	-
Contractual services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES (USES)				
		349		
NON-BUDGETED RECONCILING ITEMS				
Reversions of capital project funds		<u>(349)</u>		
NET CHANGE IN FUND BALANCE		<u>\$ -</u>		

**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) (CONTINUED)
Year Ended June 30, 2011**

	LAWS OF 2003			
	Life-to-Date Budgeted Amounts	FY11 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	1,978,964	514,061	1,389,754	(589,210)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	8,880	8,880
Other financing sources	-	-	-	-
Total revenue	<u>1,978,964</u>	<u>514,061</u>	<u>\$ 1,398,634</u>	<u>\$ (580,330)</u>
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 1,978,964</u>	<u>514,061</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	1,962,464	351,900	1,264,914	697,550
Other uses	16,500	-	-	16,500
TOTAL EXPENDITURES	<u>\$ 1,978,964</u>	<u>351,900</u>	<u>\$ 1,264,914</u>	<u>\$ 714,050</u>
NET CHANGE IN FUND BALANCE		162,161		
FUND BALANCE, JULY 1, 2010		<u>(162,161)</u>		
FUND BALANCE, JUNE 30, 2011		<u>\$ -</u>		

**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) (CONTINUED)
Year Ended June 30, 2011**

	LAWS OF 2002			
	Life-to-Date Budgeted Amounts	FY11 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ 308,854	\$ 308,854
Severance tax bond proceeds	6,820,634	315,735	785,882	(6,034,752)
Appropriations	6,760,438	-	-	(6,760,438)
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	<u>13,581,072</u>	<u>315,735</u>	<u>\$ 1,094,736</u>	<u>\$ (12,486,336)</u>
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 13,581,072</u>	<u>315,735</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	582,000	-	-	582,000
Other costs	12,753,322	24,337	606,828	12,146,494
Other uses	245,750	120,724	-	245,750
TOTAL EXPENDITURES	<u>\$ 13,581,072</u>	<u>145,061</u>	<u>\$ 606,828</u>	<u>\$ 12,974,244</u>
NON-BUDGETED RECONCILING ITEMS				
Reversions of capital project funds		<u>(352,478)</u>		
NET CHANGE IN FUND BALANCE		(181,804)		
FUND BALANCE, JULY 1, 2010		<u>177,355</u>		
FUND BALANCE, JUNE 30, 2011		<u>\$ (4,449)</u>		

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) (CONTINUED)
Year Ended June 30, 2011

	LAWS OF 2000			
	Life-to-Date	FY11 Actual	Life-to-Date	Variance
	Budgeted Amounts	Amounts Budgetary Basis	Accrual Amounts (Budgetary Basis)	
	Amounts	Budgetary Basis	(Budgetary Basis)	Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
	-	-	-	-
Total revenue	-	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ -</u>	<u>-</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	-	-
	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE		-		
FUND BALANCE, JULY 1, 2010		<u>-</u>		
FUND BALANCE, JUNE 30, 2011		<u>\$ -</u>		

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) (CONTINUED)
Year Ended June 30, 2011

	LAWS OF 1999			
	Life-to-Date Budgeted Amounts	FY11 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	24,060	-	24,060	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	24,060	-	<u>\$ 24,060</u>	<u>\$ -</u>
Fund balance	<hr/>	<hr/>		
	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 24,060</u>	<hr/>		
	-	-		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	24,060	-	24,060	-
Other uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	<u>\$ 24,060</u>	<hr/>	<u>\$ 24,060</u>	<u>\$ -</u>
NON-BUDGETED RECONCILING ITEMS				
Reversions of capital project funds		<hr/>		
		-		
NET CHANGE IN FUND BALANCE		-		
FUND BALANCE, JULY 1, 2010		<hr/>		
		-		
FUND BALANCE, JUNE 30, 2011		<u>\$ -</u>		

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) (CONTINUED)
Year Ended June 30, 2011

	SEVERANCE TAX BOND PROJECTS			
	Life-to-Date Budgeted Amounts	FY11 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	33,277,205	6,810,571	6,810,571	(26,466,634)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	33,277,205	6,810,571	<u>\$ 6,810,571</u>	<u>\$ (26,466,634)</u>
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 33,277,205</u>	<u>6,810,571</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	32,912,930	6,605,371	6,605,371	26,307,559
Other uses	364,275	205,200	205,200	159,075
TOTAL EXPENDITURES	<u>\$ 33,277,205</u>	<u>6,810,571</u>	<u>\$ 6,810,571</u>	<u>\$ 26,466,634</u>
NET CHANGE IN FUND BALANCE				-
FUND BALANCE, JULY 1, 2010				-
FUND BALANCE, JUNE 30, 2011		<u>\$ -</u>		

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) (CONTINUED)
Year Ended June 30, 2011

	GENERAL FUND PROJECTS			
	Life-to-Date Budgeted Amounts	FY11 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	<u>443,644</u>	<u>443,644</u>	<u>443,644</u>	<u>-</u>
Total revenue	443,644	443,644	<u>\$ 443,644</u>	<u>\$ -</u>
Fund balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 443,644</u>	<u>443,644</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	443,644	44,614	44,614	399,030
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 443,644</u>	<u>44,614</u>	<u>\$ 44,614</u>	<u>\$ 399,030</u>
NET CHANGE IN FUND BALANCE		399,030		
FUND BALANCE, JULY 1, 2010		<u>-</u>		
FUND BALANCE, JUNE 30, 2011		<u>\$ 399,030</u>		

**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) (CONTINUED)
Year Ended June 30, 2011**

	CAPITAL BUILDING REPAIR			
	Life-to-Date Budgeted Amounts	FY11 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ 687,306	\$ 1,920,624	\$ 687,306
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	30,038	160,523	30,038
Other revenues	38,887,822	1,107	1,107	(38,886,715)
Other financing sources	-	5,097,364	15,109,228	5,097,364
Total revenue	38,887,822	5,815,815	<u>\$ 17,191,482</u>	<u>\$ (33,072,007)</u>
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 38,887,822</u>	<u>5,815,815</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ 761,132	-	\$ -	\$ 761,132
Contractual services	-	-	-	-
Other costs	37,807,498	4,375,005	15,250,609	22,556,889
Other uses	319,192	71,024	120,839	198,353
TOTAL EXPENDITURES	<u>\$ 38,887,822</u>	<u>4,446,029</u>	<u>\$ 15,371,448</u>	<u>\$ 23,516,374</u>
NET CHANGE IN FUND BALANCE		1,369,786		
FUND BALANCE, JULY 1, 2010		<u>15,319,672</u>		
FUND BALANCE, JUNE 30, 2011		<u>\$ 16,689,458</u>		

**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) (CONTINUED)
Year Ended June 30, 2011**

	LAWS OF 2006			
	<u>Life-to-Date Budgeted Amounts</u>	<u>FY11 Actual Amounts (Budgetary Basis)</u>	<u>Life-to-Date Accrual Amounts (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	-	-	82,217,977	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	200,287,724	6,151	6,151	(200,281,573)
Other financing sources	<u>-</u>	<u>40,244,941</u>	<u>41,846,366</u>	<u>40,244,941</u>
Total revenue	200,287,724	40,251,092	<u>\$ 124,070,494</u>	<u>\$ (160,036,632)</u>
Fund balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$200,287,724</u>	<u>40,251,092</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ 500,000	-	\$ -	\$ 500,000
Contractual services	-	-	-	-
Other costs	181,364,534	39,359,681	125,145,088	56,219,446.00
Other uses	<u>18,423,190</u>	<u>853,233</u>	<u>3,366,911</u>	<u>15,056,279.00</u>
TOTAL EXPENDITURES	<u>\$200,287,724</u>	<u>40,212,914</u>	<u>\$ 128,511,999</u>	<u>\$ 71,775,725</u>
NET CHANGE IN FUND BALANCE		38,178		
FUND BALANCE, JULY 1, 2010		<u>(38,178)</u>		
FUND BALANCE, JUNE 30, 2011		<u>\$ -</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.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING STATEMENT OF NET ASSETS - NON-MAJOR ENTERPRISE FUNDS
June 30, 2011

	19700	36000	41700	80600
	<u>Administrative Services Division</u>	<u>Surplus Property Bureau</u>	<u>State Aircraft Pool</u>	<u>State Printing</u>
ASSETS				
CURRENT ASSETS				
Investment in the State General Fund Investment Pool	\$ 290,601	\$ 128,889	\$ 120,695	\$ -
Receivables:				
Interest receivable	-	-	-	-
Accounts/trade receivables	2,730	12,427	49,422	163,820
Allowance for doubtful accounts	(390)	(3,055)	(19,171)	(14,631)
Due from other funds	76,150	129	246,950	-
Due from other agencies	-	-	-	-
Other assets	-	-	-	-
Inventories	17,130	-	-	338,512
Total current assets	<u>386,221</u>	<u>138,390</u>	<u>397,896</u>	<u>487,701</u>
NON-CURRENT ASSETS				
Capital assets	60,209	119,613	9,674,795	1,463,974
Accumulated depreciation	<u>(60,209)</u>	<u>(110,543)</u>	<u>(7,025,680)</u>	<u>(1,420,251)</u>
Total non-current assets	<u>-</u>	<u>9,070</u>	<u>2,649,115</u>	<u>43,723</u>
TOTAL ASSETS	<u>\$ 386,221</u>	<u>\$ 147,460</u>	<u>\$ 3,047,011</u>	<u>\$ 531,424</u>

35200 Risk Management Operating Account	35300 State Unemployment Compensation Reserve	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance Program	35600 Public Property Reserve	Total
\$ 1,304,763	\$ 4,335,032	\$ 1,140,923	\$ 1,094,399	\$198,274	\$ 513,308	\$ 9,126,884
-	382	102	97	-	67	648
-	238,426	13,870	1,450	-	138,451	620,596
-	(210,344)	(13,870)	(1,450)	-	(138,451)	(401,362)
31,064	8,976	-	-	-	57,542	420,811
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	355,642
<u>1,335,827</u>	<u>4,372,472</u>	<u>1,141,025</u>	<u>1,094,496</u>	<u>198,274</u>	<u>570,917</u>	<u>10,123,219</u>
185,677	-	-	-	-	-	11,504,268
(165,527)	-	-	-	-	-	(8,782,210)
<u>20,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,722,058</u>
<u>\$ 1,355,977</u>	<u>\$ 4,372,472</u>	<u>\$ 1,141,025</u>	<u>\$ 1,094,496</u>	<u>\$198,274</u>	<u>\$ 570,917</u>	<u>\$ 12,845,277</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING STATEMENT OF NET ASSETS - NON-MAJOR ENTERPRISE FUNDS (CONTINUED)
June 30, 2011

	19700	36000	41700	80600
	Administrative Services Division	Surplus Property Bureau	State Aircraft Pool	State Printing
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current liabilities:				
Bank overdraft	\$ -	\$ -	\$ -	\$ 226,105
Claims payable	-	-	-	-
Accounts payable	99,513	23,868	55,113	57,119
Deferred revenue	-	-	-	-
Accrued payroll	93,632	13,364	12,104	29,247
Due to other funds	69,304	15,973	16,176	3,123
Due to other agencies	-	-	-	-
Accrued compensated absences	101,493	17,685	38,844	34,215
Total current liabilities	<u>363,942</u>	<u>70,890</u>	<u>122,237</u>	<u>349,809</u>
LONG-TERM LIABILITIES				
Claims payable	-	-	-	-
Compensated absences payable	5,127	-	-	-
Total long-term liabilities	<u>5,127</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>369,069</u>	<u>70,890</u>	<u>122,237</u>	<u>349,809</u>
NET ASSETS				
Invested in capital assets	-	9,070	2,649,115	43,723
Restricted for insurance/claims	-	-	-	-
Unrestricted	17,152	67,500	275,659	137,892
Total net assets	<u>17,152</u>	<u>76,570</u>	<u>2,924,774</u>	<u>181,615</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 386,221</u>	<u>\$ 147,460</u>	<u>\$ 3,047,011</u>	<u>\$ 531,424</u>

35200 Risk Management Operating Account	35300 State Unemployment Compensation Reserve	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance Program	35600 Public Property Reserve	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,105
-	8,382,387	1,676,477	9,247	-	1,909,672	11,977,783
9,885	2,314	-	-	-	53,113	300,925
-	-	-	-	-	-	-
117,953	-	-	-	-	-	266,300
55,164	10	-	-	-	38	159,788
-	-	-	-	-	-	-
156,302	-	-	-	-	-	348,539
<u>339,304</u>	<u>8,384,711</u>	<u>1,676,477</u>	<u>9,247</u>	<u>-</u>	<u>1,962,823</u>	<u>13,279,440</u>
-	-	-	5,160	-	406,534	411,694
-	-	-	-	-	-	5,127
-	-	-	5,160	-	406,534	416,821
<u>339,304</u>	<u>8,384,711</u>	<u>1,676,477</u>	<u>14,407</u>	<u>-</u>	<u>2,369,357</u>	<u>13,696,261</u>
20,150	-	-	-	-	-	2,722,058
-	8,382,387	1,676,477	14,407	-	2,316,206	12,389,477
996,523	(12,394,626)	(2,211,929)	1,065,682	198,274	(4,114,646)	(15,962,519)
<u>1,016,673</u>	<u>(4,012,239)</u>	<u>(535,452)</u>	<u>1,080,089</u>	<u>198,274</u>	<u>(1,798,440)</u>	<u>(850,984)</u>
<u>\$ 1,355,977</u>	<u>\$ 4,372,472</u>	<u>\$ 1,141,025</u>	<u>\$1,094,496</u>	<u>\$198,274</u>	<u>\$ 570,917</u>	<u>\$ 12,845,277</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - NON-MAJOR ENTERPRISE FUNDS
Year Ended June 30, 2011

	19700	36000	41700	80600
	Administrative Services Division	Surplus Property Bureau	State Aircraft Pool	State Printing
OPERATING REVENUE				
Service fees/premiums	\$ 16,944	\$ 416,134	\$ -	\$ 1,479,813
Federal funds	-	-	-	-
Interest income	-	-	-	-
Other revenue	3,222	114,463	255,886	11,249
Total revenues	20,166	530,597	255,886	1,491,062
OPERATING EXPENSES				
Personnel services	1,842,517	286,414	210,086	621,823
Employee benefits	630,304	109,512	72,240	247,646
In-state travel	1,397	472	190	-
Out-of-state travel	-	-	8,741	-
Maintenance and repairs	6,833	138	83,749	966
Supplies	46,172	4,346	141	233,733
Contractual services	316,208	5,739	850	-
Depreciation	-	8,247	1,050,489	9,459
Operating costs	356,472	36,925	363,931	362,686
Other costs	-	16,101	-	758
Total expenses	3,199,903	467,894	1,790,417	1,477,071
Operating income (loss)	(3,179,737)	62,703	(1,534,531)	13,991
NON-OPERATING				
REVENUE (EXPENSE):				
Intra-agency transfers	3,207,391	(9,021)	-	-
Loss on disposal of capital assets	-	-	-	-
Transfers:				
General appropriations	-	-	469,300	-
Other state agency transfers	-	-	-	-
Other state funds	-	-	-	-
TOTAL NON-OPERATING REVENUE (EXPENSE)	3,207,391	(9,021)	469,300	-
CHANGE IN NET ASSETS	27,654	53,682	(1,065,231)	13,991
NET ASSETS, BEGINNING	(10,502)	22,888	3,990,005	38,384
RESTATEMENT	-	-	-	129,240
NET ASSETS, BEGINNING	(10,502)	22,888	3,990,005	167,624
NET ASSETS, ENDING	\$ 17,152	\$ 76,570	\$ 2,924,774	\$ 181,615

35200 Risk Management Operating Account	35300 State Unemployment Compensation Reserve	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance Program	35600 Public Property Reserve	Total
\$ -	\$ 5,716,891	\$ 799,597	\$ 66,075	\$ 52,173	\$ 5,678,790	\$ 14,226,417
-	-	-	-	-	-	-
-	9,489	3,119	1,996	-	7,248	21,852
1,017	-	21,019	3,892	-	464	411,212
1,017	5,726,380	823,735	71,963	52,173	5,686,502	14,659,481
2,683,106	-	-	-	-	-	5,643,946
1,220,467	-	-	-	-	-	2,280,169
12,701	-	-	-	-	-	14,760
(102)	-	-	-	-	-	8,639
7,605	-	-	-	-	77,266	176,557
8,925	-	-	-	-	-	293,317
-	76,224	50,811	61,677	-	3,579,448	4,090,957
688	-	-	-	-	-	1,068,883
342,675	8,510,689	-	-	199,205	7,262,357	17,434,940
54,826	-	1,910,324	-	-	-	1,982,009
4,330,891	8,586,913	1,961,135	61,677	199,205	10,919,071	32,994,177
(4,329,874)	(2,860,533)	(1,137,400)	10,286	(147,032)	(5,232,569)	(18,334,696)
4,770,764	(33,300)	(53,700)	(28,300)	-	(460,100)	7,393,734
-	-	-	-	-	-	-
-	-	-	-	-	-	469,300
-	-	-	-	-	1,966	1,966
-	-	-	-	-	-	-
4,770,764	(33,300)	(53,700)	(28,300)	-	(458,134)	7,865,000
440,890	(2,893,833)	(1,191,100)	(18,014)	(147,032)	(5,690,703)	(10,469,696)
575,783	(1,118,406)	655,648	1,098,103	345,306	3,892,263	9,489,472
-	-	-	-	-	-	129,240
575,783	(1,118,406)	655,648	1,098,103	345,306	3,892,263	9,618,712
\$ 1,016,673	\$ (4,012,239)	\$ (535,452)	\$ 1,080,089	\$ 198,274	\$ (1,798,440)	\$ (850,984)

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING STATEMENT OF CASH FLOWS -
NON-MAJOR ENTERPRISE FUNDS
Year Ended June 30, 2011

	19700	36000	41700	80600
	Administrative Services Division	Surplus Property Bureau	State Aircraft Pool	State Printing
OPERATING ACTIVITIES				
Fees received	\$ 20,166	\$ 530,468	\$ 8,081	\$ 1,491,062
Other income				
Cash paid to suppliers	(787,270)	(88,992)	(408,178)	(609,576)
Cash paid to employees	<u>(2,527,827)</u>	<u>(402,325)</u>	<u>(292,208)</u>	<u>(881,486)</u>
Net cash provided by (used in) operating activities	(3,294,931)	39,151	(692,305)	-
NON-CAPITAL FINANCING ACTIVITIES				
Appropriation from/reversion to State General Fund	-	-	469,300	-
Transfers	<u>3,207,391</u>	<u>(9,021)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) non-capital financing activities	3,207,391	(9,021)	469,300	-
CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	-	-	-	-
NET INCREASE (DECREASE) IN CASH	(87,540)	30,130	(223,005)	-
CASH, BEGINNING OF YEAR	<u>378,141</u>	<u>98,759</u>	<u>343,700</u>	<u>-</u>
CASH, END OF YEAR	<u>\$ 290,601</u>	<u>\$ 128,889</u>	<u>\$ 120,695</u>	<u>\$ -</u>

35200 Risk Management Operating Account	35300 State Unemployment Compensation Reserve	35400 LPB Unemployment Program	35800 Surety Bond	21500 Employee Assistance Program	35600 Public Property Reserve	Total
\$ 1,017	\$ 5,692,196	\$ 824,042	\$ 71,963	\$ 52,173	\$ 5,628,960	\$ 14,320,128
(444,685)	(5,700,400)	(1,466,473)	(65,317)	(590,904)	(11,527,309)	(21,689,104)
<u>(4,043,066)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,146,912)</u>
(4,486,734)	(8,204)	(642,431)	6,646	(538,731)	(5,898,349)	(15,515,888)
-	-	-	-	-	-	469,300
<u>4,770,764</u>	<u>(33,300)</u>	<u>(53,700)</u>	<u>(28,300)</u>	<u>-</u>	<u>(458,134)</u>	<u>7,395,700</u>
4,770,764	(33,300)	(53,700)	(28,300)	-	(458,134)	7,865,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
284,030	(41,504)	(696,131)	(21,654)	(538,731)	(6,356,483)	(7,650,888)
<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>
<u>\$ 1,304,763</u>	<u>\$ 4,335,032</u>	<u>\$ 1,140,923</u>	<u>\$ 1,094,399</u>	<u>\$198,274</u>	<u>\$ 513,308</u>	<u>\$ 9,126,884</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING STATEMENT OF CASH FLOWS -
NON-MAJOR ENTERPRISE FUNDS (CONTINUED)**

Year Ended June 30, 2011

	19700	36000	41700	80600
	Administrative Services Division	Surplus Property Bureau	State Aircraft Pool	State Printing
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM				
OPERATING ACTIVITIES				
Operating income (loss)	(3,179,737)	62,703	(1,534,531)	13,991
Adjustments:				
Depreciation	-	8,247	1,050,489	9,459
(Increase) Decrease in assets:				
Accounts receivable, interest receivable and due from other agencies and funds	(74,850)	(3,110)	(247,805)	56,002
Inventories	6,070	-	-	(22,112)
Other assets	-	-	-	-
Increase (decrease) in liabilities:				
Insurance claim payable	-	-	-	-
Accounts payable and due to other agencies and funds	8,592	(22,290)	49,424	(45,323)
Accrued expenses	(33,729)	(6,983)	(10,167)	(11,282)
Accrued compensated absences	(21,277)	584	285	(735)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (3,294,931)</u>	<u>\$ 39,151</u>	<u>\$ (692,305)</u>	<u>\$ -</u>

35200 Risk Management Operating Account	35300 State Unemployment Compensation Reserve	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance Program	35600 Public Property Reserve	Total
(4,329,874)	(2,860,533)	(1,137,400)	10,286	(147,032)	(5,232,569)	(18,334,696)
688	-	-	-	-	-	1,068,883
(30,817)	(34,184)	307	67	-	(56,427)	(390,817)
-	-	-	-	-	-	(16,042)
-	-	-	-	-	-	-
-	2,911,163	511,106	(3,707)	-	512,142	3,930,704
12,762	(24,650)	(16,444)	-	(391,699)	(1,092,716)	(1,522,344)
(82,988)	-	-	-	-	(28,779)	(173,928)
(56,505)	-	-	-	-	-	(77,648)
<u>\$ (4,486,734)</u>	<u>\$ (8,204)</u>	<u>\$ (642,431)</u>	<u>\$ 6,646</u>	<u>\$ (538,731)</u>	<u>\$ (5,898,349)</u>	<u>\$(15,515,888)</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, 2011**

ADMINISTRATIVE SERVICES DIVISION				
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES				
Service fees	\$ -	\$ -	\$ 16,944	\$ 16,944
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	3,222	3,222
Other financing sources	<u>3,596,100</u>	<u>3,596,100</u>	<u>3,207,391</u>	<u>(388,709)</u>
Total revenue	3,596,100	3,596,100	3,227,557	<u>\$ (368,543)</u>
Net asset balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 3,596,100</u>	<u>\$ 3,596,100</u>		
EXPENSES				
Personal services and employee benefits	\$ 2,750,700	\$ 2,750,700	2,472,821	\$ 277,879
Contractual services	327,000	327,000	316,208	10,792
Other costs	518,400	518,400	410,874	107,526
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses before depreciation	<u>\$ 3,596,100</u>	<u>\$ 3,596,100</u>	3,199,903	<u>\$ 396,197</u>
Depreciation not budgeted			<u>-</u>	
Total expenses			<u>3,199,903</u>	
CHANGE IN NET ASSETS			27,654	
NET ASSETS, JULY 1, 2010			<u>(10,502)</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ 17,152</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)
Year Ended June 30, 2011

	SURPLUS PROPERTY BUREAU			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 703,800	\$ 703,800	\$ 416,134	\$ (287,666)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	114,463	114,463
Other financing sources	-	-	-	-
Total revenue	703,800	703,800	530,597	<u>\$ (173,203)</u>
Net asset balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 703,800</u>	<u>\$ 703,800</u>		
EXPENSES				
Personal services and employee benefits	\$ 508,500	\$ 508,500	395,926	\$ 112,574
Contractual services	45,200	45,200	5,739	39,461
Other costs	131,800	131,800	57,982	73,818
Other uses	18,300	18,300	9,021	9,279
Total expenses before depreciation	<u>\$ 703,800</u>	<u>\$ 703,800</u>	468,668	<u>\$ 235,132</u>
Depreciation not budgeted			<u>8,247</u>	
Total expenses			<u>476,915</u>	
CHANGE IN NET ASSETS			53,682	
NET ASSETS, JULY 1, 2010			<u>22,888</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ 76,570</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)
Year Ended June 30, 2011

	STATE AIRCRAFT POOL			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 1,147,100	\$ 1,147,100	\$ -	\$ (1,147,100)
Appropriations	485,000	469,300	469,300	-
Interest	-	-	-	-
Other revenues	-	-	255,886	255,886
Other financing sources	-	-	-	-
Total revenue	<u>1,632,100</u>	<u>1,616,400</u>	725,186	<u>\$ (891,214)</u>
Net asset balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 1,632,100</u>	<u>\$ 1,616,400</u>		
EXPENSES				
Personal services and employee benefits	\$ 476,900	\$ 473,000	282,326	\$ 190,674
Contractual services	4,300	4,200	850	3,350
Other costs	1,114,200	1,103,100	456,752	646,348
Other uses	<u>36,700</u>	<u>36,100</u>	-	<u>36,100</u>
Total expenses before depreciation	<u>\$ 1,632,100</u>	<u>\$ 1,616,400</u>	739,928	<u>\$ 876,472</u>
Depreciation not budgeted			<u>1,050,489</u>	
Total expenses			<u>1,790,417</u>	
CHANGE IN NET ASSETS			(1,065,231)	
NET ASSETS, JULY 1, 2010			<u>3,990,005</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ 2,924,774</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)
Year Ended June 30, 2011

	STATE PRINTING			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Service fees	\$ 1,966,100	\$ 1,966,100	\$ 1,479,813	\$ (486,287)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	11,249	11,249
Other financing sources	-	-	-	-
Total revenue	1,966,100	1,966,100	1,491,062	<u>\$ (475,038)</u>
Net asset balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 1,966,100</u>	<u>\$ 1,966,100</u>		
EXPENSES				
Personal services and employee benefits	\$ 1,178,200	\$ 1,178,200	869,469	\$ 308,731
Contractual services	13,000	13,000	-	13,000
Other costs	682,600	682,600	598,143	84,457
Other uses	92,300	92,300	-	92,300
Total expenses before depreciation	<u>\$ 1,966,100</u>	<u>\$ 1,966,100</u>	1,467,612	<u>\$ 498,488</u>
Depreciation not budgeted			<u>9,459</u>	
Total expenses			<u>1,477,071</u>	
CHANGE IN NET ASSETS			13,991	
NET ASSETS, JULY 1, 2010			<u>167,624</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ 181,615</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)
Year Ended June 30, 2011

	RISK MANAGEMENT OPERATING ACCOUNT			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	1,017	1,017
Other financing sources	<u>6,941,000</u>	<u>6,941,000</u>	<u>4,770,764</u>	<u>(2,170,236)</u>
Total revenue	6,941,000	6,941,000	4,771,781	<u>\$ (2,169,219)</u>
Net asset balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 6,941,000</u>	<u>\$ 6,941,000</u>		
EXPENSES				
Personal services and employee benefits	\$ 4,224,700	\$ 4,224,700	3,903,573	\$ 321,127
Contractual services	-	-	-	-
Other costs	515,000	515,000	426,630	88,370
Other uses	<u>2,201,300</u>	<u>2,201,300</u>	<u>-</u>	<u>2,201,300</u>
Total expenses before depreciation	<u>\$ 6,941,000</u>	<u>\$ 6,941,000</u>	4,330,203	<u>\$ 2,610,797</u>
Depreciation not budgeted			<u>688</u>	
Total expenses			<u>4,330,891</u>	
CHANGE IN NET ASSETS			440,890	
NET ASSETS, JULY 1, 2010			<u>575,783</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ 1,016,673</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)
Year Ended June 30, 2011

STATE UNEMPLOYMENT COMPENSATION RESERVE				
	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance From</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service fees	\$ 5,809,200	\$ 5,809,200	\$ 5,716,891	\$ (92,309)
Appropriations	-	-	-	-
Interest	-	-	9,489	9,489
Other revenues	-	5,000,000	-	(5,000,000)
Other financing sources	-	-	-	-
Total revenue	5,809,200	10,809,200	5,726,380	<u>\$ (5,082,820)</u>
Net asset balance	-	<u>12,400,000</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 5,809,200</u>	<u>\$ 23,209,200</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	170,000	170,000	76,224	93,776
Other costs	5,605,900	23,005,900	8,510,689	14,495,211
Other uses	<u>33,300</u>	<u>33,300</u>	<u>33,300</u>	-
Total expenses before depreciation	<u>\$ 5,809,200</u>	<u>\$ 23,209,200</u>	8,620,213	<u>\$ 14,588,987</u>
Depreciation not budgeted			-	
Total expenses			<u>8,620,213</u>	
CHANGE IN NET ASSETS			(2,893,833)	
NET ASSETS, JULY 1, 2010			<u>(1,118,406)</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ (4,012,239)</u>	

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)**

Year Ended June 30, 2011

LOCAL PUBLIC BODY UNEMPLOYMENT COMPENSATION				
	Budgeted Amounts		Actual Amounts	Variance From
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Service fees	\$ 1,533,700	\$ 1,533,700	\$ 799,597	\$ (734,103)
Appropriations	-	-	-	-
Interest	-	-	3,119	3,119
Other revenues	-	-	21,019	21,019
Other financing sources	-	-	-	-
Total revenue	1,533,700	1,533,700	823,735	<u>\$ (709,965)</u>
Net asset balance	-	1,100,000		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 1,533,700</u>	<u>\$ 2,633,700</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	80,000	80,000	50,811	29,189
Other costs	1,400,000	2,500,000	1,910,324	589,676
Other uses	53,700	53,700	53,700	-
Total expenses before depreciation	<u>\$ 1,533,700</u>	<u>\$ 2,633,700</u>	2,014,835	<u>\$ 618,865</u>
Depreciation not budgeted			-	
Total expenses			<u>2,014,835</u>	
CHANGE IN NET ASSETS			(1,191,100)	
NET ASSETS, JULY 1, 2010			<u>655,648</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ (535,452)</u>	

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)**

Year Ended June 30, 2011

	SURETY BOND			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service fees	\$ 70,000	\$ 70,000	\$ 66,075	\$ (3,925)
Appropriations	-	-	-	-
Interest	-	-	1,996	1,996
Other revenues	-	-	3,892	3,892
Other financing sources	-	-	-	-
Total revenue	70,000	70,000	71,963	<u>\$ 1,963</u>
Net asset balance	<u>80,300</u>	<u>80,300</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 150,300</u>	<u>\$ 150,300</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	75,000	75,000	61,677	13,323
Other costs	47,000	47,000	-	47,000
Other uses	28,300	28,300	28,300	-
Total expenses before depreciation	<u>\$ 150,300</u>	<u>\$ 150,300</u>	89,977	<u>\$ 60,323</u>
Depreciation not budgeted			-	
Total expenses			<u>89,977</u>	
CHANGE IN NET ASSETS			(18,014)	
NET ASSETS, JULY 1, 2010			<u>1,098,103</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ 1,080,089</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)
Year Ended June 30, 2011

	EMPLOYEE ASSISTANCE PROGRAM			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ -	\$ -	\$ 52,173	\$ 52,173
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	-	-	52,173	<u>\$ 52,173</u>
Net asset balance	<u>200,000</u>	<u>200,000</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 200,000</u>	<u>\$ 200,000</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	200,000	200,000	199,205	795
Other costs	-	-	-	-
Other uses	-	-	-	-
Total expenses before depreciation	<u>\$ 200,000</u>	<u>\$ 200,000</u>	199,205	<u>\$ 795</u>
Depreciation not budgeted			-	
Total expenses			<u>199,205</u>	
CHANGE IN NET ASSETS			(147,032)	
NET ASSETS, JULY 1, 2010			<u>345,306</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ 198,274</u>	

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)
Year Ended June 30, 2011**

	PUBLIC PROPERTY RESERVE			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Service fees	\$ 8,860,100	\$ 8,860,100	\$ 5,678,790	\$ (3,181,310)
Appropriations	-	-	-	-
Interest	-	-	7,248	7,248
Other revenues	-	-	464	464
Other financing sources	-	-	1,966	1,966
Total revenue	8,860,100	8,860,100	5,688,468	<u>\$ (3,171,632)</u>
Net asset balance	-	<u>2,600,000</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 8,860,100</u>	<u>\$ 11,460,100</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	3,656,600	3,656,600	3,579,448	77,152
Other costs	4,743,400	7,343,400	7,339,623	3,777
Other uses	460,100	460,100	460,100	-
Total expenses before depreciation	<u>\$ 8,860,100</u>	<u>\$ 11,460,100</u>	11,379,171	<u>\$ 80,929</u>
Depreciation not budgeted			-	
Total expenses			<u>11,379,171</u>	
CHANGE IN NET ASSETS			(5,690,703)	
NET ASSETS, JULY 1, 2010			<u>3,892,263</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ (1,798,440)</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, 2011**

	PUBLIC LIABILITY			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 35,921,400	\$ 40,921,400	\$ 33,158,971	\$ (7,762,429)
Appropriations	-	-	-	-
Interest	-	-	110,761	110,761
Other revenues	-	-	-	-
Other financing sources	-	-	1,168	1,168
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	35,921,400	40,921,400	33,270,900	<u>\$ (7,650,500)</u>
Net asset balance	<hr/>	<hr/>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED	<u>\$ 35,921,400</u>	<u>\$ 40,921,400</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	13,700,000	14,700,000	14,196,650	503,350
Other costs	17,761,200	21,761,200	20,542,515	1,218,685
Other financing uses	4,460,200	4,460,200	4,450,517	9,683
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	<u>\$ 35,921,400</u>	<u>\$ 40,921,400</u>	39,189,682	<u>\$ 1,731,718</u>
Depreciation not budgeted			<hr/>	
Total expenses			<u>39,189,682</u>	
CHANGE IN NET ASSETS			(5,918,782)	
NET ASSETS, JULY 1, 2010			<u>(38,455,524)</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ (44,374,306)</u>	

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)
Year Ended June 30, 2011**

	WORKERS' COMPENSATION RETENTION			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service fees	\$ 22,178,200	\$ 22,178,200	\$ 23,038,803	\$ 860,603
Appropriations	-	-	-	-
Interest	-	-	34,097	34,097
Other revenues	-	-	-	-
Other financing sources	-	-	33,610	33,610
	-	-	-	-
Total revenue	22,178,200	22,178,200	23,106,510	\$ 928,310
Net asset balance	-	500,000		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 22,178,200</u>	<u>\$ 22,678,200</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	3,125,000	3,625,000	1,967,990	1,657,010
Other costs	18,088,300	18,088,300	16,729,969	1,358,331
Other uses	964,900	964,900	964,900	-
	-	-	-	-
Total expenses before depreciation	<u>\$ 22,178,200</u>	<u>\$ 22,678,200</u>	19,662,859	\$ 3,015,341
Depreciation not budgeted			-	
Total expenses			19,662,859	
CHANGE IN NET ASSETS			3,443,651	
NET ASSETS, JULY 1, 2010			<u>(23,982,920)</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ (20,539,269)</u>	

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)**

Year Ended June 30, 2011

	STATE TRANSPORTATION POOL			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service fees	\$ 8,377,600	\$ 8,377,600	\$ 7,479,878	\$ (897,722)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	61,756	61,756
Other financing sources	-	-	208,572	208,572
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	8,377,600	8,377,600	7,750,206	<u>\$ (627,394)</u>
Net asset balance	<u>3,052,900</u>	<u>3,052,900</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 11,430,500</u>	<u>\$ 11,430,500</u>		
EXPENSES				
Personal services and employee benefits	\$ 1,422,700	\$ 1,422,700	1,421,828	\$ 872
Contractual services	35,600	19,600	-	19,600
Other costs	9,660,400	9,676,400	4,901,994	4,774,406
Other uses	311,800	311,800	153,700	158,100
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	<u>\$ 11,430,500</u>	<u>\$ 11,430,500</u>	6,477,522	<u>\$ 4,952,978</u>
Depreciation not budgeted			<u>2,792,510</u>	
Total expenses			<u>9,270,032</u>	
CHANGE IN NET ASSETS			(1,519,826)	
NET ASSETS, JULY 1, 2010			<u>15,039,940</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ 13,520,114</u>	

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)
Year Ended June 30, 2011**

	GROUP INSURANCE PREMIUM STABILIZATION			
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service fees	\$ 353,074,500	\$ 353,074,500	\$ 333,591,225	\$ (19,483,275)
Appropriations	-	-	-	-
Interest	-	-	108,971	108,971
Other revenues	-	-	-	-
Other financing sources	-	-	15,484	15,484
	-	-	-	-
Total revenue	353,074,500	353,074,500	333,715,680	<u>\$ (19,358,820)</u>
Net asset balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 353,074,500</u>	<u>\$ 353,074,500</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	20,280,000	20,280,000	18,334,527	1,945,473
Other costs	331,167,800	331,167,800	308,734,172	22,433,628
Other uses	1,626,700	1,626,700	1,626,700	-
	-	-	-	-
Total expenses before depreciation	<u>\$ 353,074,500</u>	<u>\$ 353,074,500</u>	328,695,399	<u>\$ 24,379,101</u>
Depreciation not budgeted			-	
Total expenses			<u>328,695,399</u>	
CHANGE IN NET ASSETS			5,020,281	
NET ASSETS, JULY 1, 2010			<u>9,954,749</u>	
NET ASSETS, JUNE 30, 2011			<u>\$ 14,975,030</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
 June 30, 2011

	75100	56100	
	Bond	Insurance	
	Securities	Carrier	Total
		Premiums	
ASSETS			
Cash	\$ 150	\$ 636,072	\$ 636,222
TOTAL ASSETS	<u>\$ 150</u>	<u>\$ 636,072</u>	<u>\$ 636,222</u>
LIABILITIES			
Accounts payable	\$ -	\$ 636,072	\$ 636,072
Deposits held for others	<u>150</u>	<u>-</u>	<u>150</u>
TOTAL LIABILITIES	<u>\$ 150</u>	<u>\$ 636,072</u>	<u>\$ 636,222</u>

OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2011

	Balance as of <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance as of <u>June 30, 2011</u>
75100 BOND SECURITIES				
ASSETS				
Cash	\$ 58,209	\$ 13,001	\$ 71,060	\$ 150
TOTAL ASSETS	<u>\$ 58,209</u>	<u>\$ 13,001</u>	<u>\$ 71,060</u>	<u>\$ 150</u>
LIABILITIES				
Accounts payable	\$ 50,159	\$ -	\$ 50,159	\$ -
Deposits held in custody for others	<u>8,050</u>	<u>13,001</u>	<u>20,901</u>	<u>150</u>
TOTAL LIABILITIES	<u>\$ 58,209</u>	<u>\$ 13,001</u>	<u>\$ 71,060</u>	<u>\$ 150</u>
56100 INSURANCE CARRIER PREMIUMS				
ASSETS				
Cash	\$ 1,957,514	\$ 7,432,845	\$ 8,754,287	\$ 636,072
Deposits due from others	-	-	-	-
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,957,514</u>	<u>\$ 7,432,845</u>	<u>\$ 8,754,287</u>	<u>\$ 636,072</u>
LIABILITIES				
Accounts payable	\$ 1,335,864	\$ 7,880,218	\$ 8,580,010	\$ 636,072
Deposits held in custody for others	<u>621,650</u>	<u>30,978,505</u>	<u>31,600,155</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 1,957,514</u>	<u>\$ 38,858,723</u>	<u>\$ 40,180,165</u>	<u>\$ 636,072</u>

SINGLE AUDIT

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2011

Federal Agency/ Pass-Through Agency	Federal Catalog of Domestic Assistance Number	Total Federal Award Expenditures
U.S. DEPARTMENT OF ENERGY:		
ARRA - State Energy Program		
Pass-through NM Energy and Minerals - Pass-through identifying number 10-521-R1DOE00001-0076	81.041	\$ 6,881,462
Total U.S. Department of Energy		<u>6,881,462</u>
U.S. DEPARTMENT OF EDUCATION:		
ARRA - State Fiscal Stabilization Governor's Discretionary Fund		
Pass-through NM Department of Finance and Administration GSF-GSD-01CSF	84.397	4,000,000
ARRA - State Fiscal Stabilization Governor's Discretionary Fund		
Pass-through NM Department of Finance and Administration GSF-GSD-02SBoards	84.397	<u>947,772</u>
Total U.S. Department of Education		<u>4,947,772</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 11,829,234</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2011**

BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the 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.

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Mr. Ed Burckle, 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, 2011, and have issued our report thereon dated December 5, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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 findings 04-01, 06-22, 11-03, 11-04 and 11-05 to be material weaknesses in internal control over financial reporting.

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 also noted certain other matters that are required to be reported under *Government Auditing Standards* paragraphs 5.14 and 5.16 and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 11-01 and 11-02.

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.

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.

Clifton Gunderson LLP

Albuquerque, New Mexico
December 5, 2011

**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. Ed Burckle, 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, 2011. The Department's major federal programs are 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.

As described in finding 11-05 in the accompanying schedule of findings and questioned costs, the Department did not comply with requirements regarding Davis Bacon that are applicable to its ARRA – State Energy Program. Compliance with such requirements is necessary, in our opinion, for the Department to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2011.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weakness have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in finding 11-05 to be a material weakness.

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.

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.

Clifton Gunderson LLP

Albuquerque, New Mexico
December 5, 2011

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditor’s report issued on compliance for major program: Unqualified, except for a qualification with Davis-Bacon compliance over CFDA Number 81-041, U.S. Department of Energy: ARRA – State Energy Program.

Any audit findings, disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
81.041	U.S. Department of Energy: ARRA – State Energy Program
84.397	U.S. Department of Education: ARRA – State Fiscal Stabilization

Dollar threshold used to distinguish between type A and type B programs \$354,877

Auditee qualified as low-risk auditee? yes no

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011

Section II – Financial Statement Findings

Finding 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 allowance for doubtful accounts, due to/due from other funds, construction in progress, inventory, service revenue accounts, accounts payable, other payroll liabilities, deferred revenue, 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 misappropriation of assets 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.

As a result of untimely reconciliation, during the year ended June 30, 2011 the Department had a prior period adjustment of \$720,306 to the State Transportation Pool and \$129,240 to the State Printing Division due to accounts receivable not being properly recorded in the prior fiscal year.

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
June 30, 2011

Section II – Financial Statement Findings (continued)

Finding 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: Efforts to reconcile the funds on a monthly basis in FY11 were hampered by insufficient staffing. Management concurs with the recommendation to impose monthly reconciliation for all funds, which will be implemented in fiscal year 2012. The reconciliation process will be a team effort crossing all bureaus so that it will no longer be the sole responsibility of the General Ledger Bureau.

Finding 06-22 – Capital Assets (Material Weakness)

Condition: During test work over capital assets, the following items were noted:

- An annual physical inventory as required by State law of moveable items was not conducted by all divisions within the Department for the year ended June 30, 2011. However, it was noted the Department's Transportation Department conducted a year end observation of State owned vehicles.
- Entries that should have been recorded during the year to the Department's general ledger for capital asset activity were not created until after the Department's books had closed. In addition, activity for construction in progress (CIP) for one fund was not tracked with CIP or captured on the Department's initial CIP roll forward schedule. However, it was noted that CIP for all other funds was tracked and captured on the Department's general ledger and capital assets tracking software (GEAC) on a monthly basis.
- During our testwork of asset retirements, there were eight vehicles that were sold that did not appear on the listing of vehicles disposed of during the year. It is unclear whether these vehicles were properly accounted for and/or ever included in the fixed asset accounting system

Criteria: State agencies shall record and report state owned capital assets in accordance with state law and GAAP, as described in MAPs FIN 6, authorized by Section 6-5-2, 13-6-1, NMSA 1978 and GSD Rule 88-101. In addition, Section 12-6-10(A) NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels at the end of the fiscal year.

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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011

Section II – Financial Statement Findings (continued)

Finding 06-22 – Capital Assets (Material Weakness) (continued)

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

Recommendation: We recommend the Department continue to perform a thorough reconciliation process on a monthly basis to ensure:

- Capital outlay expenses are agreed to capital asset additions,
- Deletions of capital assets are properly removed from any capital asset roll forwards,
- Construction in progress is properly tracked and capitalized.

This monthly reconciliation should also entail a proper review, by a member of management that is not a part of the aforementioned reconciliation process, and include timely recording of all activity to the Department's general ledger and capital assets reporting software (GEAC.) In addition, a physical inventory of all moveable capital assets should be performed using the Department's detailed capital asset listing as a point of reference. This inventory should be performed on a minimum of an annual basis.

Management's Response: The FY10 audit identified entries that needed to be recorded in the subsidiary ledger (GEAC); however, the system only allows for these entries to be recorded in the first period of the following fiscal year. The entries that occurred in the first period of fiscal year 2011 were significant to properly ensure that capital outlay expenditures agreed to capital asset additions. The entries also ensured that deletions of capital assets were properly removed from any capital asset roll forwards, and that construction in progress was properly tracked and capitalized. The one fund (89000) not included on the CIP roll forward was a short-term stimulus fund which was being tracked separately. This fund will now be included in CIP. In addition, the fixed asset reconciliation will be reviewed by the GL staff manager on a monthly basis as part of a newly implemented reconciliation process.

Management concurs that an annual physical inventory of all moveable capital assets should be performed using the Department's detailed capital asset listing as a point of reference. The eight vehicles referenced were part of the initial inventory assumed by Motor Pool in 2000 and 2001 from other agencies. When TSD originally took control of these state vehicles, listings were developed and these vehicles were added to the TSD data management system. This listing was also duplicated and provided to be placed on the GSD's fixed asset listings. In reviewing past documentation, it was noted that TSD had identified at least 4 of the 8 vehicles as not appearing on the fixed asset listing. TSD should have followed up and ensured that all vehicles that reside in its updated fleet management system are reflected in the agency's fixed asset system. TSD will conduct a thorough reverse audit comparing all vehicles on its fleet management system to the agency's fixed asset system. Quarterly reconciliations will occur thereafter.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011

Section II – Financial Statement Findings (continued)

Finding 11-01 Incomplete Personnel Files (Control Deficiency)

Condition: During our review of personnel files, out of 22 files reviewed we noted the following:

- Deductions for health, vision and dental insurance were being taken from one employee's paycheck without authorization on file.
- One employee personnel file did not have a signed I-9.

Criteria: According to the Personnel Act (10-9-1 to 10-9-25 NMSA 1978), personnel files should be adequately maintained.

Cause: The personnel files in question were employees that had transferred from another state agency, and at the time of transfer incomplete personnel files were sent to the Department.

Effect: Employee files appear incomplete and are in noncompliance with Personnel Act (10-9-1 to 10-9-25 NMSA 1978).

Recommendation: We recommend that any employee personnel file that is transferred to the Department be reviewed for completeness and that missing items are obtained from that employee. In addition periodic review of personnel files should be performed to verify completeness and accuracy of files.

Management's Response: Management concurs and will implement the recommendation to add the procedure of reviewing all files received from another agency for completeness.

Finding 11-02 Cash Deposits (Control Deficiency)

Condition: While performing a test of controls over cash receipts, we noted 4 instances out of 22 tested where deposits were not made within twenty-four hours. In 2 instances it was 2 days, in 1 instance it was 5 days, and in another instance it was 9 days before the deposit was made.

Criteria: Per Section 6-10-3 NMSA 1978, cash or checks should be deposited before the close of the next succeeding business day after the initial receipt.

Cause: The Department's accounts receivable bureau did not receive the checks from other divisions in time to make the deposit within the required timeframe.

Effect: The Department is not in compliance with 6-10-3 NMSA 1978.

Recommendation: The Department should make efforts to ensure that receipts are deposited before the end of the next business day.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011

Section II – Financial Statement Findings (continued)

Finding 11-02 Cash Deposits (Control Deficiency) (continued)

Management's Response: During fiscal year 2011, Risk Management Division did not have adequate permanent staff to perform all required duties in a timely manner. Thus, checks received by the Division were often delayed in being submitted to the Accounts Receivable Bureau. However, once the checks were received by the Accounts Receivable Bureau, the timestamp clearly indicates that the checks were being deposited either on the same day or the following day in compliance with Section 6-10-3 NMSA 1978. Risk Management Division is implementing an action plan to hire adequate staffing for its Financial Bureau.

Finding 11-03 Claims File Documentation (Material Weakness)

Condition: During internal control test work over both property and casualty and workers' compensation claims disbursements, the following items were noted:

- Out of 38 property and casualty disbursements selected, the Department was unable to produce a claims file or provide supporting documentation for one general liability claims payment in the amount of \$8,432 paid to an external law firm. Therefore, we were unable to verify the completeness and accuracy of the claims expenditure to the external party.
- Out of 38 workers' compensation disbursements tested, 15 of the files examined were missing one or a combination of the following documents required under the Department's internal policy over workers' compensation files: form E1.2 "First Report of Injury or Illness", supporting invoices, support for communication with medical examiner, injury report, wage calculation worksheet.

Criteria: Proper internal control should be exercised over claims disbursements.

Cause: Lack of effective procedures and internal controls over the maintenance and documentation of claims files.

Effect: Payments could be made to invalid recipients. In addition, the actuary estimate of claims outstanding is based on information provided by the Department. If this information is incomplete, it could lead to inaccurate soundness of actuary calculated claims payable liability.

Recommendation: We recommend that the Department follow sound internal control procedures in processing all claims liabilities. In addition, periodic review of claims files should be performed to verify completeness and accuracy of files.

Management's Response: Management concurs with the recommended policy to follow sound internal control procedures in processing all claims. The single property and casualty file referenced out of 38 files appears to have received unique handling under the prior administration. RMD is further investigating into the possibility of any additional files that received unique handling.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011

Section II – Financial Statement Findings (continued)

Finding 11-03 Claims File Documentation (Material Weakness) (continued)

With respect to the Worker's Compensation files, management concurs with the recommendation that complete and accurate files be maintained. It may be that the initial transitioning from paper files to imaging for paperless filing led to the minor discrepancies found in the audit. In the new ECM (electronic content management) system, absence of key documents, such as the First Report of Injury, trigger a supervisor's review. Thus, the internal control issue is addressed.

Finding 11-04 Significant Deficit in Risk Management Net Assets Accounts (Material Weakness)

Condition: The State of New Mexico manages its risks internally and sets aside assets for claim settlement through the Risk Management Division of the Department. As of June 30, 2011, enterprise funds established to manage the risk of loss exposure for public liability and workers' compensation had deficit net asset balances of approximately \$44.3 million and \$20.5 million, respectively.

Criteria: Good business and accounting practices require management evaluate liquidity needs and economic soundness of risk funds.

Cause: Premiums charged to other state agencies in part are based on state appropriations and budgets rather than the actual actuary estimate of claims payable. This has led to deficit net asset balances in these funds.

Effect: The Department, as well as the State of New Mexico, risks not having the funds available to pay claims.

Recommendation: We recommend that the Department review the liability and the risk as it relates to the funding and premium levels currently established. The review should include an analysis of future expected cash flows and run-out projections of known claims and historical claim experiences to ensure that funding levels are adequate to meet current and future needs of the State of New Mexico and the Department.

Management's Response: Management maintains that the GASB 10 requirement to gauge fund solvency based on having projected liabilities being 100% funded is misleading for a public sector risk fund. The projected deficit would only occur in the hypothetical situation where the State of New Mexico went out of business, which is unlikely as compared with the private sector where this can and has happened. In that instance, the funding requirements placed on private insurance industry make sense. Furthermore, the status of the Worker's Compensation Fund has actually improved over the last five years, ending fiscal year 2011 with a fund balance \$14.8 million, and is on track to be actuarially balanced by the end of fiscal year 2012. With a fund balance of \$47.9 million as of June 30, 2011, the public liability fund can experience up to a 10% variance in claims.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011

Section II – Financial Statement Findings (continued)

Finding 11-04 Significant Deficit in Risk Management Net Assets Accounts (Material Weakness) (continued)

The Department recognizes the actuarial soundness level of risk funds is a policy decision based on the state's revenues. In that context, management is committed to a prudent plan to recoup claim costs and build fund solvency over time that minimizes the negative impact of increasing premiums to state agencies during these tough economic times. Increases in premiums to bring all funds to optimal levels would be substantial, which would require either reduction in personnel or a reduction in services provided to citizens to balance agency budgets. Both impacts would further erode the Unemployment Compensation fund and tax receipts. Given projected claims never come due all at once, the option has been pursued to allow the funds to recover along with the economy. As an indication of RMD's acknowledgment of the importance of fund management, an internal actuary has been hired to ensure these funds are on a sound path.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011

Section III – Federal Award Findings and Questioned Costs

Finding 11-05 Davis Bacon Compliance and Internal Control (Material Weakness)

Grant: State Energy Program

CFDA #: 81.041

Question Costs: \$0

Condition: During our single audit test work over Davis Bacon compliance requirements, we noted that the Department is not reviewing Certified Payroll Reports (CPR) of their contractors and subcontractors on a regular basis.

Criteria: In accordance with requirements under the Department of Labor (DOL), all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the DOL. In order to monitor this, weekly Certified Payroll Reports (CPR) are required to be submitted by the contractor to the Department, so that the Department can review rates against the prevailing wage rates.

Cause: Lack of adequate staffing to enable the Department to review CPR on a weekly basis for the various projects across the state of NM.

Effect: Contractors may not be paying their laborers and mechanics based on the prevailing wage rate for those projects that are not already monitored by the Department.

Recommendation: We recommend the Department incorporate this review process into their weekly review of project activity. The Department has indicated it is in the process of auditing all CPR from their vendors and we recommend the Department continue to do this on a regular basis.

Management's Response: The Property Control Division (PCD) lacked sufficient staff to enable the Department to review the Certified Payroll Reports (CPR) on a weekly basis. One Project Manager is responsible for the 51 statewide projects for the \$12 million ARRA Fund. In response to this finding, PCD has obtained the permission of the EMNRD (original grant recipient of the \$12 million ARRA grant) to hire a temporary employee who will support the filing of each project and the associated vendor weekly Certified Payroll Reports (CPR). Additionally, the ARRA Project Manager will continue to review the paid rates against the prevailing wage rates identified by Davis Bacon Act requirements on a weekly basis.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2011**

Section I – Financial Statement Findings

04-01 General Ledger Reconciliation (Material Weakness) – Repeated and Modified

05-07 Budget Overages (Significant Deficiency) – Resolved

06-22 Capital Assets (Material Weakness) – Repeated and Modified

Section II – Federal Award Findings and Questioned Costs

There were no findings for the year ended June 30, 2011.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
EXIT CONFERENCE
June 30, 2011**

An exit conference was held with the Department on December 5, 2011. 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

Ed Burckle, Cabinet Secretary
Michelle Aubel, ASD Director
Mary Martinez, Accounts Receivable Bureau Chief

CLIFTON GUNDERSON LLP

Georgie Ortiz, CPA, CGFM, Partner
Raul J. Anaya, CPA, CGFM, Manager
Robert Korman, MBA, Associate

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.