

**STATE OF NEW MEXICO**

**DEPARTMENT OF**

**GAME AND FISH**

**Financial Statements**

**for the Year Ended**

**June 30, 2012**

**and Independent**

**Auditor's Report**

**NM Department of Game and Fish  
June 30, 2012**

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**NM Department of Game and Fish**  
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NM Department of Game and Fish  
June 30, 2012

Official Roster

Commission

Jim McClintic	Albuquerque, New Mexico	Chairman
Thomas Salopek	Las Cruces, New Mexico	Vice-Chairman
Tom Arvas	Albuquerque, New Mexico	Commissioner
Scott Bidegain	Tucumcari, New Mexico	Commissioner
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William Montoya	Alto, New Mexico	Commissioner
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Dan Brooks	Deputy Director
R.J. Kirkpatrick	Assistant Director – Resource Programs/ Area Operations
Patrick Block	Assistant Director – Administrative Support Services
Richard Wellborn	Legal Council
Alexa Sandoval	Chief of Administrative Services Division
Robert McGee	Chief of Information Services Division
Sonya Quintana	Chief of Human Resources
Matt Wunder	Chief of Conservation Services Division
Darrel Weybright	Acting Chief of Wildlife Management Division
Michael Sloane	Chief of Fisheries Management Division
Marty Frentzel	Chief of Public Information and Outreach Division
Brian Gleadle	Chief of Northwest Area
Chris Neary	Chief of Northeast Area
Leon Redman	Chief of Southeast Area
Raymond Aaltonen	Chief of Southwest Area



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## **Independent Auditor's Report**

To the Members of the Commission of  
State of New Mexico  
Department of Game and Fish and  
Mr. Hector H. Balderas  
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund of the New Mexico Department of Game and Fish (the Department), as of and for the year ended June 30, 2012, which collectively comprise the Department's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Department's nonmajor governmental funds, fiduciary fund and the budgetary comparisons for the major capital projects fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Department as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparisons 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 previously present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and fiduciary fund of the Department as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital projects fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2012 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The additional schedules listed as "supplementary information" and "supplemental schedules" in the table of contents, including the Schedule of Changes in Assets and Liabilities of Agency Funds, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*CliftonLarsonAllen LLP*

Albuquerque, New Mexico  
December 7, 2012

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**NM Department of Game and Fish  
Year Ended June 30, 2012  
Management's Discussion and Analysis**

The State of New Mexico Department of Game and Fish's (Department) Management Discussion and Analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, provide an overview of the Department's financial activity, identify changes in the Department's financial position (ability to address future challenges), identify any material deviations from the financial plan and identify issues of concern.

The MD&A is designed to focus on the past year's activities, resulting changes and currently known facts; please read it in conjunction with the Department's financial statements and notes which follow this section.

**Overview of the Financial Statements**

This annual report consists of four parts: 1) management's discussion and analysis, 2) the basic financial statements, 3) required supplementary information, and 4) an optional section that presents combining statements for non-major governmental funds.

The basic financial statements include two kinds of statements that provide different views of the Department: The first two statements are **government-wide financial statements** that provide both long-term and short-term information about the Department's overall financial status. The remaining statements are **fund financial statements** that focus on individual parts, specifically short term information of the Department's operations in greater detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about non-major governmental funds.

The MD&A should provide an objective and easily readable analysis of the government's financial activities, based on currently known facts, decisions or conditions. It should provide an analysis of the government's overall financial position and results of operations to assist users in assessing whether the financial position has improved as a result of the year's activities. Additionally, it should provide an analysis of significant changes that occur in funds and significant budget variances.

**Government-wide Financial Statements.** The Statement of Net Assets shows the Department's overall financial position as of June 30, 2012. This financial statement is comparable to the balance sheet in a private sector entity's financial statements. A Statement of Net Assets differs from a balance sheet in several ways, but there is one main difference. The New Mexico Department of Game and Fish is a government agency and a trustee of public assets rather than a company with shareholders or owners. In a private sector balance sheet, the surplus (or deficit) of assets compared to liabilities is the owners' equity. In governmental financial statements, this excess is labeled net assets.

The next government-wide statement is the Statement of Activities. This statement provides information about revenue and expenditure activity throughout the course of fiscal year 2012. The statement provides the fund balance at the beginning of the year and the balance at the end of the year. The difference between revenue and expenditure amounts provides for the change in fund balance.

The remaining financial statements report the Department's operations in greater detail than the government-wide statements.

**Fund Financial Statements.** The fund financial statements provide more detailed information about the Department's significant funds. Funds are accounting devices that are used to keep track of specific sources of funding and spending for particular purposes.



**NM Department of Game and Fish  
Year Ended June 30, 2012  
Management's Discussion and Analysis**

**Government-wide Financial Statements**

The Department has two types of funds:

Governmental Funds - Most of the Department's services are included in governmental funds, which focus on (a) how cash and other financial assets that can be readily converted to cash, flow in and out, and (b) the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view that helps the user determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. Since this information does not include the additional long-term focus of the government-wide statements, reconciliation between the government-wide statements and the fund financial statements is provided for governmental-type activities.

Fiduciary Funds - A fiduciary fund is used to report assets held in a trustee or agency capacity for others and therefore are not available to support Department programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. With the implementation of GASB statement number 34, fiduciary funds are not included with the governmental-type funds since these funds are not available to support the Department's programs. The Department's fiduciary fund is maintained to receive donations. The money is used to reward anonymous callers who turn in wildlife violators to the Department.

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

**Net Assets:** The total Department net assets for fiscal year ending June 30, 2012 are \$111,686,703. All of those assets are either restricted as to the purposes they can be used for or are invested in capital assets. The restricted net assets in Governmental Activities were \$50,280,668 at the end of the fiscal year. The restricted net assets are comprised of amounts that have been designated for future use, as these amounts are reserved for operations in the following fiscal years.

**The Department's Net Assets**

	<u>FY 2012</u>	<u>FY2011</u>	<u>Percent Change</u>
<b>Assets:</b>			
Current and Other Assets	\$ 55,178,878	\$ 49,752,374	10.90 %
Capital Assets	<u>61,406,035</u>	<u>61,654,675</u>	(.40) %
<b>Total Assets</b>	<b>\$ 116,584,913</b>	<b>\$ 111,407,049</b>	<b>4.65 %</b>
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<b>Liabilities:</b>			
Current Liabilities	\$ 4,780,730	\$ 3,588,169	33.24 %
Non-current Liabilities	<u>117,480</u>	<u>153,589</u>	(23.51) %
<b>Total Liabilities</b>	<b>\$ 4,898,210</b>	<b>\$ 3,741,758</b>	<b>30.91 %</b>
<b>Net Assets:</b>			
Invested in Capital Assets	\$ 61,406,035	\$ 61,654,675	(.40) %
Restricted	<u>50,280,668</u>	<u>46,010,616</u>	9.28 %
<b>Total Net Assets</b>	<b>\$ 111,686,703</b>	<b>\$ 107,665,291</b>	<b>3.74 %</b>

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Management's Discussion and Analysis**

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

The Department total assets are comprised of \$61,406,035 in capital assets and \$55,178,878 in current assets, for a total asset balance of \$116,584,913. The overall increase in total assets from the previous fiscal year is \$5,177,864. Liabilities are also broken out into two segments: current liabilities and non-current liabilities. The total amount of current liabilities is \$4,780,730, an increase of 33.24% from the prior year balance of \$3,588,169. This increase is attributable to an increase in accounts payable and 4th party liabilities at the fiscal year end, which include payables for capital projects throughout the state and payroll expenses payable at year end. Non-current liabilities are limited to the amount due for unused employee leave balances that is not likely to be expended within the next fiscal year. The amount of this non-current liability is \$117,480.

**Governmental Activities:** The table below summarizes the Department's activities for the fiscal years ending June 30, 2012 and 2011. The change in net assets were \$4,021,412 at the end of the fiscal year.

**The Department's Activities**

<u>Category</u>	<u>2012</u>	<u>2011</u>	<u>Total Dollar Change 2012 - 2011</u>	<u>Total Percent Change 2012 - 2011</u>
Program Revenues	\$ 36,706,560	\$ 37,311,614	\$ (605,054)	(1.62) %
General Revenues	333,963	302,234	31,729	10.50 %
<b>Total Revenues</b>	<b>37,040,523</b>	<b>37,613,848</b>	<b>(573,325)</b>	<b>(1.52) %</b>
Program Expenses	32,521,811	32,236,868	(284,943)	(.08) %
<b>Total Expenses</b>	<b>32,521,811</b>	<b>32,236,868</b>	<b>(284,943)</b>	<b>(.08) %</b>
Transfers	(497,300)	(883,635)	(386,335)	(43.72) %
<b>Change in Net Assets</b>	<b>4,021,412</b>	<b>4,493,345</b>	<b>(471,933)</b>	<b>(10.50) %</b>
Beginning Net Assets	107,665,291	103,171,946	4,493,345	4.36 %
<b>Ending Net Assets</b>	<b>\$ 111,686,703</b>	<b>\$ 107,665,291</b>	<b>\$ 4,021,412</b>	<b>3.74 %</b>

The Department manages eight operating fund accounts (excluding the capital fund); the Game Protection Fund (major fund) and seven (7) non-major funds that receive funding from sources created by the laws of the State of New Mexico. The Department's capital fund is managed based on the appropriation of funding through the State's legislative process. The revenue allocated to the capital fund is done on a project basis and depends on the approved funding. Therefore, the capital fund does not accumulate revenues beyond those required to support the capital projects.

For the year ending June 30, 2012, depreciation expense has been allocated to the program expense category of Game and Fish Resource Conservation. Interagency transfers include transfers to outside agencies including the Energy, Minerals, and Natural Resources Department.

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Management's Discussion and Analysis**

**Information on Individual Funds**

The Department is responsible for the management of nine individual fund accounts, including the capital project fund. The Game Protection Fund is considered the Department's one major operating fund. The cash balance increased in five of the seven non-major funds and the Game Protection Fund experienced an increase in the cash balance in fiscal year 2012. In totality, the Department ended fiscal year 2012 in an overall healthy financial position for all of its funds. The first table below lists the beginning and ending cash and investment balances for each fund managed by the Department.

<u>Fund Name</u>	<u>Fund</u>		<u>Balance June 30, 2012</u>	<u>Balance June 30, 2011</u>	<u>Total Percent of Change 2011 - 2012</u>
Game Protection Fund	19800	\$	37,357,836	34,585,881	8.01 %
Sikes Act Fund	09700	\$	1,519,094	1,362,641	11.48 %
Share With Wildlife Fund	30700	\$	1,008,583	998,090	1.05 %
Trail Safety Fund	10840	\$	1,889,601	1,588,136	18.98 %
Bond Interest & Retirement Fund	42800	\$	1,811,538	1,777,862	1.89 %
Big Game Depredation Damage Fund	54900	\$	865,837	906,537	(4.49) %
Big Game Enhancement Fund	77200	\$	2,466,670	2,258,169	9.23 %
Habitat Management Fund	49400	\$	3,532,600	3,145,895	12.29 %
Game & Fish Capital Improvement Fund	88700	\$	1,128,286	465,415	142.43 %

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Management's Discussion and Analysis**

**Information on Individual Funds - continued**

The tables below list the total revenue and expenditures for each fund managed by the Department.

<u>Fund Name</u>	<u>SHARE Fund</u>	<u>Revenue</u>		<u>Total Percent of Change 2011 - 2012</u>
		<u>Fiscal Year Ended June 30, 2012</u>	<u>Fiscal Year Ended June 30, 2011</u>	
Game Protection Fund	19800	\$ 31,682,383	32,179,588	1.55 %
Sikes Act Fund	09700	937,123	936,877	.03 %
Share With Wildlife Fund	30700	112,615	114,863	(1.96) %
Trail Safety Fund	10840	611,493	635,877	(3.83) %
Bond Interest & Retirement Fund	42800	186,611	178,218	4.70 %
Big Game Depredation Damage Fund	54900	396,720	413,232	(4.00) %
Big Game Enhancement Fund	77200	1,065,064	1,013,904	5.05 %
Habitat Management Fund	49400	1,156,618	1,054,775	9.66 %
Game & Fish Capital Improvement Fund	88700	634,966	850,616	(25.35) %
<b>Total Revenues</b>		<b>\$ 36,783,593</b>	<b>37,377,950</b>	<b>(1.59) %</b>

<u>Fund Name</u>	<u>SHARE Fund</u>	<u>Expenditures</u>		<u>Total Percent of Change 2011 - 2012</u>
		<u>Fiscal Year Ended June 30, 2012</u>	<u>Fiscal Year Ended June 30, 2011</u>	
Game Protection Fund	19800	\$ 28,350,806	28,137,216	.76 %
Sikes Act Fund	09700	772,010	878,720	(12.14) %
Share With Wildlife Fund	30700	164,018	160,226	2.37 %
Trail Safety Fund	10840	391,154	261,992	49.30 %
Bond Interest & Retirement Fund	42800	-	-	-
Big Game Depredation Damage Fund	54900	407,362	283,593	43.64 %
Big Game Enhancement Fund	77200	898,222	805,946	11.45 %
Habitat Management Fund	49400	589,927	572,750	3.00 %
Game & Fish Capital Improvement Fund	88700	900,250	994,990	(9.52) %
<b>Total Expenditures</b>		<b>\$ 32,473,749</b>	<b>32,095,433</b>	<b>1.18 %</b>

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Management's Discussion and Analysis**

**Budgets, Revenue and Expenditures**

The Department recorded several adjustments to the original budget amounts during the fiscal year; all the adjustments were due to additional federal grant funds made available to the Department. There is a large variance in both the service revenue and federal revenue for fiscal year 2012. The variance in the service revenue is due to the fact that the Department received a higher amount in license revenue in fiscal year 2011 than in fiscal year 2012.

Since the Department generates all of its revenues via dedicated, non-reverting funds, there is little incentive to spend all available funds to justify higher future budgets or to minimize reversions to other funds. If funds remain unspent, they remain in the fund's cash balance, where they will be available for appropriation and expenditure in future fiscal years.

The table below shows the Department's budget comparisons for the year ended June 30, 2012 for all funds except the Capital Projects fund (88700), which includes appropriations that span multiple budget years. Including the capital budget would inaccurately portray the budget information for the fiscal year ended June 30, 2012.

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Revenues:</b>				
Service revenue	\$ 25,626,400	25,626,400	23,216,764	(2,409,636)
Federal grants	9,020,000	9,538,413	11,959,096	2,420,683
Interest earned	42,600	42,600	71,068	28,468
Other revenue	280,200	280,200	895,734	615,534
Other financing sources	125,300	125,300	75,474	(49,826)
	<u>\$ 35,094,500</u>	<u>\$ 35,612,913</u>	<u>\$ 36,218,136</u>	<u>\$ 605,223</u>
Fund balance budgeted	\$ 3,369,700	4,017,200		
<b>Total revenues</b>	<u>\$ 38,464,200</u>	<u>\$ 39,630,113</u>	<u>\$ 36,218,136</u>	<u>\$ (3,411,977)</u>

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Management's Discussion and Analysis**

**Budgets, Revenue and Expenditures - continued**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
<b>Expenditures:</b>				
Personal services/benefits	\$ 20,378,800	19,698,800	16,420,534	3,278,266
Contractual services	4,041,600	4,874,078	3,529,113	1,344,965
Other	13,546,100	13,912,435	11,623,852	2,288,583
Other financing uses	497,300	1,144,800	1,144,800	200,000
<b>Total expenditures</b>	<b>\$ 38,463,800</b>	<b>39,630,113</b>	<b>32,718,299</b>	<b>6,911,814</b>

The Department recorded \$37,110,032 in total revenue including the Capital Projects fund and \$32,971,049 in expenditures. This resulted in a difference of revenues in excess of expenditures of \$4,138,983. As the Department continues to move forward with filling vacant positions, the Department projects that the variance of revenues to expenditures will decrease due to higher spending on salaries and benefit expenses. The Department continues to take a conservative approach on expending funds due to the fact that we are an Agency that generates its own revenues and is not dependent on the State of New Mexico's general fund to provide funding for Department operations.

The largest single source of Department revenue comes from the sale of hunting and fishing licenses. This is shown as Charges for Service on the Statement of Activities within the financial statements. This revenue category accounts for \$24,112,498 of the Department's revenue. The expenditures include \$32,375,816 expended for Game and Fish Resources Conservation. Much of the Department's statutory mandate relates to activities that fall within this expenditure category.

The remaining expenditures result from a charge for Depreciation Expense. This represents a charge to account for the declining value of assets owned by the Department as they age. While common in the private sector, prior to the implementation of GASB 34, governmental units had not accounted for the depreciation of assets.

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Management's Discussion and Analysis**

**Capital Asset and Long-Term Debt Activity**

The following table shows the Department's capital assets:

	<b>Governmental Activities</b>		<b>Total % of Change 2011 – 2012</b>
	<b><u>June 30, 2012</u></b>	<b><u>June 30, 2011</u></b>	
Land	\$ 33,287,492	\$ 33,077,666	.63 %
Land improvements	4,887,661	4,412,941	10.75 %
Infrastructures and Easements	10,094,181	9,712,628	3.92 %
Property, Plant and Equipment	38,950,299	38,720,587	.59 %
Work in Process	93,554	93,554	-
Less Depreciation	<u>(25,907,152)</u>	<u>(24,362,701)</u>	<u>6.33 %</u>
<b>Net Capital Assets</b>	<b><u>\$ 61,406,035</u></b>	<b><u>\$ 61,654,675</u></b>	<b><u>(0.40) %</u></b>

The net value of the Department's capital assets as of June 30, 2012 is \$61,406,035. This net value decreased by 0.40% during fiscal year 2012 primarily due to the disposal of old, unusable and obsolete capital assets.

The Department had no long-term debt activity during fiscal year 2012. All funds appropriated and expended from the Game and Fish Bond Interest and Retirement Fund come from existing cash balances in the fund. There are no outstanding bonds, debts or other obligations requiring repayment from this fund.

The ability to issue long-term debt is provided in the New Mexico statutes, but if the Department wished to incur additional long-term debt, the State Legislature would need to amend the current statutory language to authorize the State Game Commission to issue and sell bonds.

**Anticipated Future Conditions and Changes**

New Mexico law mandates the State Game Commission and the Department of Game and Fish with the management of the Game Protection Fund, which is the Department's general operating fund. The projected cash balance of the Game Protection Fund through fiscal year 2017 reflects a healthy balance which will allow the Department to forego requesting a fee increase for hunting, fishing and trapping licenses in the next few years. The last time the Department requested a license fee increase was 2005. The healthy cash balance in the Game Protection Fund is a result of cost savings in the recent few years and the effects of previous hiring freezes on the utilization of the Department's budget.

The Department continues to successfully implement the Aquatic Invasive Species and Off-Highway Vehicle programs statewide. As these programs grow, the Department has worked to form new partnerships across the State to improve implementation and service delivery. By fiscal year 2014, the Department will have implemented a significant reorganization of staff. The reorganization shifted the alignment of staff to more closely align organization with statute. The updated organizational structure has not altered duties of staff, nor has it changed agency responsibilities, but rather the new structure provides for more efficient delivery of services to the citizens of New Mexico.

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Management's Discussion and Analysis**

**Anticipated Future Conditions and Changes - continued**

In keeping with the theme of delivering programs to citizens in a more efficient manner, the Department continues to work to implement an electronic license sales system that will allow customers to purchase licenses from their homes and local vendors statewide. The Department continues to take advantage of technological advances that provide customers a more efficient license buying experience while reducing administrative costs, allowing the Department to accomplish more on the ground.

Again this year, the state of New Mexico's economic health and economic conditions elsewhere are major influences on the Department and how we will operate in the future. Although the Department has not felt large-scale negative repercussions from the economic downturn; we remain cognizant of it and continue to find ways to control costs without adversely affecting services provided to the public.

The Department, and the State as a whole, will need to continue to determine how the public will pay for wildlife management. The beneficiaries of healthy wildlife populations and habitats are not limited to just those who purchase hunting and fishing licenses. Whether the benefits from wildlife resources are financial or merely aesthetic, it is a reasonable argument that everybody who benefits should also contribute financially to that management.

**Contacting the Department's Financial Management**

The Department's financial statements are designed to provide a general overview of the Department's finances and to show accountability for the money it receives. If you have questions about this report or need additional information, contact the Department's Administrative Services Division Chief or the Assistant Director for Support Services at P.O. Box 25112, Santa Fe, New Mexico 87504.



**BASIC FINANCIAL STATEMENTS**

**NM Department of Game and Fish  
June 30, 2012**

**Statement of Net Assets**

		<u>Primary Government</u>
		<u>Governmental Activities</u>
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash	\$	3,300
Investments		51,576,745
Accounts Receivable		934,461
Due from Other State Agencies		9,064
Due from Federal Government		2,655,308
<b>Total Current Assets</b>		<u>55,178,878</u>
<i>Noncurrent Assets</i>		
Capital assets, net of accumulated depreciation		61,406,035
<b>Total Assets</b>		<u>116,584,913</u>
<b>LIABILITIES</b>		
<i>Current Liabilities</i>		
Accounts payable		3,271,968
Accrued Compensated Absence		829,461
Accrued Payroll		649,336
Other Liabilities		29,965
<b>Total Current Liabilities</b>		<u>4,780,730</u>
<i>Noncurrent Liabilities</i>		
Long-term portion of compensated absences		117,480
<b>Total Liabilities</b>		<u>4,898,210</u>
<b>NET ASSETS</b>		
Invested in Capital assets		61,406,035
<i>Restricted for:</i>		
Wildlife and Fisheries		47,311,634
Debt Services		1,864,473
Capital Projects		1,104,561
<b>Total Net Assets</b>	<b>\$</b>	<u><b>111,686,703</b></u>

**NM Department of Game and Fish  
Year Ended June 30, 2012**

**Statement of Activities**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Governmental Activities</u>
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
Game and Fish Resource Conservation	\$ 32,521,811	\$ 24,112,498	\$ 12,594,062	\$ 4,184,749
<b>Total Governmental Activities</b>	<b>32,521,811</b>	<b>\$ 24,112,498</b>	<b>\$ 12,594,062</b>	<b>\$ 4,184,749</b>
<b>General Purpose Revenues and Transfers:</b>				
<b>Revenues</b>				
				5,965
				256,930
				71,068
				(497,300)
				<u>(163,337)</u>
				<b>4,021,412</b>
				<u>107,665,291</u>
				<b>\$ 111,686,703</b>

**NM Department of Game and Fish  
June 30, 2012**

**Balance Sheet  
Governmental Funds**

	Game Protection Fund - 19800	Capital Projects - 88700	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 3,300	\$ --	\$ --	\$ 3,300
Investments	37,354,536	1,128,286	13,093,923	51,576,745
Accounts Receivable	934,461	--	--	934,461
Due from Other State Agencies	7,394	--	1,670	9,064
Due from Federal Government	2,167,930	114,017	373,361	2,655,308
Due from other funds	<u>--</u>	<u>--</u>	<u>605,546</u>	<u>605,546</u>
<b>Total Assets</b>	<b>\$ <u>40,467,621</u></b>	<b>\$ <u>1,242,303</u></b>	<b>\$ <u>14,074,500</u></b>	<b>\$ <u>55,784,424</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,256,424	\$ 137,742	\$ 877,802	\$ 3,271,968
Accrued Payroll	633,519	--	15,817	649,336
Other Liabilities	29,965	--	--	29,965
Due to other funds	<u>605,546</u>	<u>--</u>	<u>--</u>	<u>605,546</u>
<b>Total Liabilities</b>	<b><u>3,525,454</u></b>	<b><u>137,742</u></b>	<b><u>893,619</u></b>	<b><u>4,556,815</u></b>
<b>FUND BALANCE</b>				
Restricted	36,942,167	1,104,561	13,180,881	51,227,609
<b>Total Fund Balance</b>	<b><u>36,942,167</u></b>	<b><u>1,104,561</u></b>	<b><u>13,180,881</u></b>	<b><u>51,227,609</u></b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>40,467,621</u></b>	<b>\$ <u>1,242,303</u></b>	<b>\$ <u>14,074,500</u></b>	<b>\$ <u>55,784,424</u></b>

**NM Department of Game and Fish  
June 30, 2012**

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

<b>Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)</b>	<b>\$ 51,227,609</b>
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund:</p>	
The cost of capital assets is:	87,313,187
Accumulated depreciation is:	<u>( 25,907,152)</u>
Total Capital Assets:	<u>61,406,035</u>
<p>Long- term and certain other liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:</p>	
Compensated absences payable:	<u>(946,941)</u>
<b>Total Net Assets-Governmental Funds</b>	<b>\$ <u>111,686,703</u></b>

**NM Department of Game and Fish  
Year Ended June 30, 2012**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds**

	Game Protection Fund - 19800	Capital Projects - 88700	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Service Revenue	19,927,554	--	3,289,210	23,216,764
Federal Grants	10,863,264	634,966	1,095,832	12,594,062
Penalties	51,782	--	--	51,782
Interest Earned	62,477	--	8,591	71,068
Unrealized gain or loss on investments	--	--	5,965	5,965
Other Revenue	<u>777,306</u>	<u>--</u>	<u>66,646</u>	<u>843,952</u>
<b>Total Revenues</b>	<u>31,682,383</u>	<u>634,966</u>	<u>4,466,244</u>	<u>36,783,593</u>
<b>Expenditures</b>				
Game and Fish Resource Conservation	27,071,613	640,759	2,574,949	30,287,321
Capital Outlay	<u>1,279,193</u>	<u>259,491</u>	<u>647,744</u>	<u>2,186,428</u>
<b>Total Expenditures</b>	<u>28,350,806</u>	<u>900,250</u>	<u>3,222,693</u>	<u>32,473,749</u>
<b>Excess of Revenues Over</b>				
<b>Expenditures</b>	<u>3,331,577</u>	<u>(265,284)</u>	<u>1,243,551</u>	<u>4,309,844</u>
<b>Other Financing Sources (Uses)</b>				
Other Financing Sources STB Proceeds	--	256,930	--	256,930
Inter Agency Transfers	(497,300)	--	--	(497,300)
Proceeds from Sale of Equipment	69,509	--	--	69,509
Intra- Agency Transfers	<u>(547,500)</u>	<u>647,500</u>	<u>(100,000)</u>	<u>-</u>
<b>Net Other Financing Sources (Uses)</b>	<u>(975,291)</u>	<u>904,430</u>	<u>(100,000)</u>	<u>(170,861)</u>
<b>Net Change in Fund Balance</b>	<b>2,356,286</b>	<b>639,146</b>	<b>1,143,551</b>	<b>4,138,983</b>
<i>Fund Balance at Beginning of Period</i>	<u>34,585,881</u>	<u>465,415</u>	<u>12,037,330</u>	<u>47,088,626</u>
<b>Fund Balance at End of Period</b>	<b>\$ <u>36,942,167</u></b>	<b>\$ <u>1,104,561</u></b>	<b>\$ <u>13,180,881</u></b>	<b>\$ <u>51,227,609</u></b>

**NM Department of Game and Fish  
Year Ended June 30, 2012**

**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and  
Changes in Fund Balance to the Statement of Activities**

**Total Net Change in Fund Balances - Governmental Funds** \$ 4,138,983

Governmental funds report capital outlay 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-Total Capital Assets less Accumulated Depreciation

Capital outlay	2,186,428
Depreciation Expense	<u>( 2,219,564 )</u>

Excess of depreciation expense over capital outlay	(33,136)
--	----------

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:

131,069

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

(215,504)

**Changes in Net Assets-Governmental Activities** \$ 4,021,412

**NM Department of Game and Fish  
Year Ended June 30, 2012**

**Statement of Revenues and Expenditures - Budget and Actual  
(Budgetary Basis) Game Protection Fund - 19800**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance Favorable (Unfavorable) Final to Actual</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Service Revenue	\$ 22,432,500	\$ 22,432,500	\$ 19,927,554	\$ (2,504,946)
Federal Grants	8,298,000	8,816,413	10,863,264	2,046,851
Interest Earned	41,000	41,000	62,477	21,477
Other Revenue	238,300	238,300	829,088	590,788
Other Financing Sources	<u>125,300</u>	<u>125,300</u>	<u>69,509</u>	<u>(55,791)</u>
<b>Total Revenues</b>	<b>31,135,100</b>	<b>31,653,513</b>	<b>31,751,892</b>	<b>98,379</b>
Fund Balance Budgeted	<u>3,178,100</u>	<u>3,725,600</u>		
<b>Total Revenues and Fund Balance Budgeted</b>	<b>34,313,200</b>	<b>35,379,113</b>		
<b>Expenditures</b>				
Personal Services and Benefits	19,902,200	19,222,200	16,072,284	3,149,916
Contractual Services	2,876,600	3,789,078	2,805,152	983,926
Other Costs	11,037,100	11,323,035	9,473,370	1,849,665
Other Financing Uses	<u>497,300</u>	<u>1,044,800</u>	<u>-</u>	<u>--</u>
<b>Total Expenditures</b>	<b>34,313,200</b>	<b>35,379,113</b>	<b>29,395,606</b>	<b>5,983,507</b>
<b>Excess of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>-</b>	<b>-</b>	<b><u>2,356,286</u></b>	

Note: There were no reconciling items required to get to the GAAP Basis.



NM Department of Game and Fish  
Year Ended June 30, 2012

Statement of Fiduciary Assets and Liabilities  
Agency Funds

**ASSETS:**

Cash \$ 80,861

**TOTAL ASSETS:** \$ 80,861

**LIABILITIES:**

Due to others \$ 80,861

**TOTAL LIABILITIES:** \$ 80,861

**NM Department of Game and Fish**  
**June 30, 2012**  
**Notes to Financial Statements**

**NATURE OF ORGANIZATION**

**Reporting Entity**

The State Game Commission and the Department of Game and Fish were created by the laws of 1921, Chapter 17 (17-1-1 through 17-7-3) NMSA, 1978 Compilation.

• **Management**

Game and Fish is headed by the State Game Commission. Under the terms of Section 17-1-2, NMSA, 1978, the Commission is composed of seven members appointed by the Governor with the advice and consent of the Senate for four-year terms. A director is employed by the Commission.

• **Role of the Department**

Under Chapter 17 of the New Mexico Statutes, 1978 Compilation, the Department of Game and Fish (Department) is charged with the following responsibilities: to provide an adequate and flexible system for the protection of the game and fish of New Mexico; the use of these resources for public recreation and food supply; and for the propagation of game by planting, protection, regulation and conservation to the extent necessary to maintain an adequate supply of game and fish within the State of New Mexico.

The principal goal of the Department is to manage all of the State's wildlife resources and their habitat for the enjoyment, appreciation, economic benefit and scientific instruction of present and future generations of New Mexicans.

• **Divisions**

In order to meet the goals and legislative mandates, the Department is organized by operational divisions. A summary of the functions of each division is set forth as follows:

**The Administration Division** primarily responsible for the overall administration of day-to-day field activities. The Director's office coordinates the overall directives of the State Game Commission and administers all fish and wildlife activities of the Department. The deputy director and two assistant directors administer and direct the activities and management of the divisions. Human Resources, Planning, Aircraft, Resource Partnership and Equal Employment Opportunity are under the Administration Division.

**The Administrative Services Division** provides and maintains fiscal and financial control records necessary for sound management of the Department. They develop effective internal control procedures to protect and establish accountability for all cash funds and other assets of the Department. Accounting records include hunting and fishing licenses, property inventories and supporting documents, financial reports and claims for reimbursements.

**The Conservation Services Division** ensures the integrity of fish and wildlife habitats in conjunction with the Department's principal obligation of maintaining the viability of all species of wildlife in New Mexico. The Conservation Services Division oversees the endangered species, habitat environment, lands, fish and wildlife resource education and the administration of the Sikes Act and Share with Wildlife programs.

**NM Department of Game and Fish**  
**June 30, 2012**  
**Notes to Financial Statements**

**NATURE OF ORGANIZATION - continued**

• **Divisions - continued:**

**The Wildlife Management Division** plans and coordinates all programs and activities involving research, management, regulation, propagation, planting and habitat concerning game birds and game mammals. This Division participates and coordinates in delineating wildlife research needs that are essential to properly formulate management strategies with respect to a holistic approach to habitat management.

**The Fisheries Management Division** is concerned with the production and distribution of game fish, development of fishing waters and management and research programs needed to protect and expand the sport fishing resources of the State. The State trout hatcheries are: Parkview Hatchery in Rio Arriba County; Red River Hatchery in Taos County; Seven Springs hatchery in Sandoval County; Rock Lake Hatchery in Guadalupe County; Glenwood in Catron County; and Lisboa Springs in San Miguel County.

**The Public Information & Outreach Division** plans and coordinates the dissemination of information statewide. This includes public information and awareness programs concerning Department policies, programs and activities. They utilize newspapers and other publications; produce radio and television programs; handle the state fair booth and other exhibits; assist all personnel with personal appearance programs before schools and organizations; publish *New Mexico Wildlife* magazine, informational literature and hunting and fishing regulations; and supervise the conservation education and mandatory hunter training programs required by State Law.

**The Law Enforcement and Field Operations Divisions** consist of the four area offices of the Department, their district wildlife officers and the staff in Santa Fe. Responsibilities of the Divisions include field patrol; investigations; hunter, angler and trapper check; depredation control; acquisition of research and management data; covert enforcement operations; and support of virtually all Department functions.

**The Information Systems Division** provides database design and support, systems analysis, software design, development, implementation, training and support for computer applications used by the various divisions of the Department of Game and Fish. In addition, it maintains an extensive network of computers and communications equipment, along with a complete backup and disaster recovery system. It provides technical assistance to all users of both networked and personal computers. Its primary interest, however, is in ensuring that Department personnel have ready access to all available information and data needed by the Commission or the Department's administration for making well informed decisions in wildlife management issues.

• **Future Objectives**

The Department's primary concern will continue to be the protection, conservation and management of the State's wildlife resources. The Department will become increasingly involved in broader areas of environmental concern, particularly if man-made changes in the total environment and wildlife habitat have impacts upon the wildlife resource.

NM Department of Game and Fish  
June 30, 2012  
Notes to Financial Statements

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

• **Financial Reporting**

The Department is part of the primary government of the State of New Mexico, and its financial data should be included with the financial data of the State. However, New Mexico does not at present issue an audited Comprehensive Annual Financial Report inclusive of all agencies of the primary government.

Included within the financial report of the Department are all of the programs and funds that are administered or controlled by the Department.

No entities were noted that should be considered component units of the Department. No entities were specifically excluded as none were noted as meeting any of the criteria for potential inclusion. The Department has no component units.

• **Basic Financial Statements**

The financial statements of 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 Standard Board (FASB) issued after November 30, 1989 are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB No. 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The basic financial statements include both government-wide (based on the Department as a whole) and fund financial statements. The new reporting model focus is on either the Department as a whole or major individual fund (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental activities. In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis by column, and is reflected on a full accrual, economic resources measurement focus basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Funds that are fiduciary in nature are excluded from the government-wide statements and the fund statements.

• **Government-wide Financial Statements**

The government-wide Statement of Activities reflects both the gross and net cost per functional category. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function.

NM Department of Game and Fish  
June 30, 2012  
Notes to Financial Statements

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

This government-wide focus is more on the sustainability of the Department as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

• **Fund Financial Statements**

Emphasis here is on major funds. Major funds under GASB No. 34 are described as funds with balances exceeding 10 percent of the total assets, liabilities, revenues or expenditures for all funds of that category or type. An entity's general fund is always considered a major fund. The Department's funds are classified in the accompanying fund statements in accordance with the GASB No. 34 requirements.

The governmental fund statements are presented on the current financial resources measurement focus and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Department actual experience conforms to the budget or fiscal plan.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column on the government-wide presentation.

The financial transactions of the Department are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expense. The various funds are reported by generic classification within the financial statements.

• **Basis of Presentation - Fund Accounting**

The following fund types and account groups are used by the Department:

**Governmental Funds** - All governmental fund types are accounted for on a spending or financial flow measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

Due to their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. However, they are reported as liabilities in the government-wide financial statements.

**Game Protection Fund -SHARE Fund No. 19800** - The Game Protection Fund is the general operating fund of the Department of Game and Fish. It is used to account for all financial resources except those required to be accounted for in another fund. Under Section 17-1-14, NMSA, 1978, the Game Protection Fund is a non-reverting fund. The State Game Commission shall have general control over the collection and disbursement

NM Department of Game and Fish  
June 30, 2012  
Notes to Financial Statements

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

• **Basis of Presentation - Fund Accounting - continued**

**Game Protection Fund – continued:**

of all money collected or received under the State laws for the protection and propagation of game and fish. The money shall be paid over to the State Treasurer to the credit of the Game Protection Fund, and the Fund, including all earned income there from, shall not be transferred to another fund. Chapter 17 NMSA 1978 shall be a guaranty to the person who pays for hunting and fishing licenses and permits that the money in the Fund shall not be used for any purpose other than as provided in Chapter 17 NMSA 1978.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds are:

Habitat Management Fund-SHARE Fund No. 49400 - The Habitat Management Fund was created under Section 17-2-14, NMSA, 1978. The fund is a non-reverting fund. The purpose of the fund is for the improvement, maintenance, development and operation of property for fish and wildlife habitat management. It is funded through the sale of habitat management stamps. Anyone purchasing a resident or non-resident license or a wildlife-associated recreation permit must purchase a habitat management stamp. The Habitat Management Fund is a non-major fund.

Big Game Enhancement Fund-SHARE Fund No. 77200 - Under the terms of Section 17-3-16.1, NMSA, 1978 compilation, all money collected from the issuance and sale of the bighorn sheep and elk enhancement permits shall be credited to the Game Protection Fund to be used exclusively for bighorn sheep, elk and deer preservation, restoration and management. Under Section 17-1-14, NMSA, 1978, the fund is a non-reverting fund. The Big Game Enhancement Fund is a non-major fund.

Big Game Depredation Fund-SHARE Fund No. 54900 - The Big Game Depredation Fund was created by the 2001 Legislature to establish a program to correct damage to federal, state or private land caused by big game and to prevent such damage in the future. It is funded through the sale of big game depredation stamps. Anyone purchasing a big game hunting license must purchase a big game depredation stamp. Under Section 17-3-13.3, the fund is a non-reverting fund. The Big Game Depredation Fund is a non-major fund.

Trail Safety Fund-SHARE Fund No. 10840 – The Trail Safety Fund was established under statute 66-3-1019, NMSA 1978. The fund is non-reverting and consists of revenues from off-highway motor vehicle registration and user fees, grants and donations. The Trail Safety Fund is a non-major fund.

Sikes Act Fund-SHARE Fund No. 09700 - The Sikes Act Fund was created by U.S. Public Law 93-452 (Sikes Act). The fund is used to account for the issuance and sale of public land management area stamps. The fees collected for these stamps are used exclusively in carrying out conservation and rehabilitation programs as defined in the Sikes Act. Under Section 17-1-14, NMSA, 1978, the fund is a non-reverting fund. The Sikes Act Fund is a non-major fund.

NM Department of Game and Fish  
June 30, 2012  
Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- Basis of Presentation - Fund Accounting - continued

**Special Revenue Funds – continued:**

Share with Wildlife Fund-SHARE Fund No. 30700 - The need for a "Share with Wildlife Fund" was established by Chapter 343, Laws of 1981, which required that additional wildlife funds be provided from a voluntary check-off designation of tax refunds due to the taxpayer on the New Mexico state income tax form. This program is supplemental to any other funding and is in no way intended to take the place of the funding that would otherwise be appropriated to the Department. Under Section 17-1-14, NMSA, 1978, the fund is a non-reverting fund. The Share with Wildlife Fund is a non-major fund.

**Debt Service Fund** - Debt Service Funds are funds used to account for the repayment of principal and interest of long-term debt. The Debt Service Fund is:

Bond Interest and Retirement Fund-SHARE Fund No. 42800 - Under Section 17-1-22, NMSA, 1978, the fund is a non-reverting fund and is used to account for the accumulation of resources and the payment of principal and interest of bonds issued under the Game and Fish Bond Act. The Bond Interest and Retirement Fund is a non-major fund.

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

Capital Outlay Fund-SHARE Fund No. 88700 - Under Section 17-1-22, NMSA, 1978, the fund is a non-reverting fund and is used to account for the capital projects undertaken by the Department, as approved by the State Game Commission. Funds deposited and utilized to finance the projects include the remaining monies from the Fish and Wildlife Conservation Bonds of 1976 or surplus funds from the Bond Retirement Fund, as well as severance tax bond proceeds. The Capital Outlay Fund is a major fund.

**Fiduciary (Agency) Funds** -Fiduciary Funds include the Department's expendable trust and agency funds, which are used to account for assets held by the Department in the capacity of trustee or agent for individuals, other governmental entities, and/or other funds. Expendable trust funds are classified for accounting purposes in essentially the same manner as agency fund types, using the same measurement focus and basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

These funds are not incorporated into the government-wide financial statements. The Agency account is:

Operation Game Thief/Law Enforcement-SHARE Fund No. 78700 - The cash balance in the Operation Game Thief/Law Enforcement Fund consists of donations and unused special hunt fees. The money is used to reward anonymous callers who turn in wildlife violators to the Department. This fund is not maintained by the Department of Finance and Administration. It has a separate bank account.

NM Department of Game and Fish  
June 30, 2012  
Notes to Financial Statements

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

• **Basis of Accounting**

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

**Accrual Basis** - The accrual basis of accounting is utilized by the governmental funds and fiduciary funds in the government-wide financial statements. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

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

• **Cash**

Cash consists of cash on deposit with area banks, which are held for use by the Law Enforcement Division. It also reflects a minor amount of cash maintained in petty cash accounts. In the normal course of cash activity, the Department maintains cash at financial institutions below the FDIC insured limits.

• **Investments Held by State Treasurer's Office and the State Investment Council**

Investments held by the State Treasurer's Office consist of required deposits made to the State Treasurer's Office. The State Treasurer's Office monitors the accounts and the State Treasurer issues separate financial statements, which disclose the collateral pledged to secure these deposits. The investments are valued at fair value based on quoted market prices as of the valuation date.

The audit report of the financial statements was not received prior to the completion of this audit. The State Treasurer invests all public monies held in excess of the minimum compensating balance maintained with the fiscal agent bank in accordance with an investment policy approved by the State Board of Finance.

It is the Commission's position that all deposits at the State Treasurer's Office are reported at carrying value, which reasonably estimates fair value.

The Investment Council is a component of the primary government of the State of New Mexico. The Investment Council pool of investments is monitored by the same investment committee, and the same policies and procedures apply that apply to all other state investments at the Investment Council.



NM Department of Game and Fish  
June 30, 2012  
Notes to Financial Statements

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

• **Investments Held by State Treasurer's Office and the State Investment Council - continued**

The Department also maintains an investment account at the New Mexico State Investment Council (Investment Council) for the Share with Wildlife Fund 30700. The investments are valued at fair value based on quoted market prices as of the valuation date. Participation in the Investment Council is voluntary under a Joint Powers Agreement. Other auditors perform the audit of the Investment Council. The report was not received prior to the completion of this audit.

The Investment Council is a component of the primary government of the State of New Mexico. Investment Council pool of investments is monitored by the same investment committee, and the policies and procedures apply that apply to all other state investments at the Investment Council.

The Department participates in three investment pools that are offered by the Investment Council, which include both equity and fixed investments. Investments are stated at fair value in accordance with Statement No. 31 of the Governmental Accounting Standards Board (GASB 31). Investment transactions are recorded on the trade date. Dividends are recognized as income when declared.

The pool participation is based at the rate of \$1,000 per unit at the time the funds were placed into the pool by the participant. The pool invests in U.S. Treasury bonds and notes, government-sponsored enterprise and agency issues and corporate bonds and notes. The original investment was \$550,000 or 550 units.

• **Receivables**

Federal - Various reimbursement procedures are used for federal awards received by the Department. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year-end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. The expenditures on federal grants are disclosed in the accompanying Schedule of Expenditures of Federal Awards.

Vendors - Accounts receivable from vendors represent amounts due from the sale of hunting and fishing licenses for June 2012. Amounts are to be remitted to the Department by the tenth (10<sup>th</sup>) of the month following the month of sale. All receivables are believed to be fully collectible; therefore, no allowance has been recorded.

Interest - Interest on investments is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

NM Department of Game and Fish  
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Notes to Financial Statements

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

- **Nature and Purpose of Reservations and Designations of Fund Balances**

**Government-wide Statements**

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

Invested in capital assets, consists of capital assets net of accumulated depreciation.

Restricted net assets consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets are all other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

**Governmental Funds**

In the governmental fund financial statements, fund balances are classified as non-spendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the Legislature's and Executive Branch's intent to be used for specific purposes or in some cases by legislation. See Note 21 for additional information about fund balances.

**Use of Restricted Resources**

When an expenditure / expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the State'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 State's policy to spend committed resources first.

- **Interfund Receivables and Payables**

Short-term amounts owed between funds are classified as "Due to/from other funds" in the fund statements. In the government-wide statements, these amounts are eliminated.

**NM Department of Game and Fish**  
**June 30, 2012**  
**Notes to Financial Statements**

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

• **Capital Assets**

Capital assets are recorded as expenditures in the governmental funds and capitalized at cost in the government-wide statements. The valuation bases for capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement. Items purchased or acquired with an original cost of \$5,000 or more are capitalized and reported at cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are also capitalized. Costs for repairs and maintenance are expensed as incurred. In the fiscal year 2006, the capitalization policy changed from \$1,000 to \$5,000 for capitalizing capital assets. The Department has elected to include assets that cost less than \$5,000 but equal to or more than \$1,000, and were purchased prior to July 1, 2005, on their capital asset inventory and financial statements.

Depreciation on assets is provided on a straight-line basis with no salvage value over the following estimated useful lives: Fencing – 15 years; Furniture and Fixtures – 10 years; Data Processing Equipment – 5 years; Equipment – 5 to 15 years; Automobiles – 6 to 12 years; Buildings and Structures – 25 to 50 years. Land, Land Improvements, Work in progress is not depreciated. Software acquired is capitalized and depreciated over 5 years. The Department has no internally developed software that requires capitalization. All capital assets are free of related debt.

• **Compensated Absences**

Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of 80 to 160 hours per year, depending upon length of service and employee's hire date. A maximum of 30 working days (240 hours) or such accumulated annual leave may be carried forward into the beginning of the calendar year and any excess leave is lost.

When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to a maximum of 240 hours. Accumulated annual leave is not expected to be liquidated with expendable available financial resources and is reported in the general long-term debt group.

Qualified employees are entitled to accumulate sick leave at the rate of one day for each calendar month of service. There is no limit to the amount of sick leave that an employee may accumulate. Once per fiscal year in either January or July, employees may elect to be paid up to 50% of accrued sick leave in excess of 600 up to 720 hours, but not to exceed 120 hours (net 60 hours can be paid). In the case of retiring employees, up to 200 net hours in excess of 600 hour minimum limit can be paid. Sick leave balances from 600 to 720 hours are recorded at 50% of the employee's current hourly rate in the compensated absences category.

• **Program Revenues**

Revenue items included in program revenues consist of sales of fishing and hunting licenses, sales of special use stamps, penalties and fines, special hunt application fees and miscellaneous permits. Items included in other revenue consist of penalties and fines, sale of crops and lease of land and equipment.

• **Budgets and Budgetary Accounting**

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

**NM Department of Game and Fish**  
**June 30, 2012**  
**Notes to Financial Statements**

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

• **Budgets and Budgetary Accounting - continued**

Legal compliance is monitored through the establishment of a budget and a financial control system that permits a budget to actual expenditure comparison.

Expenditures by category may not legally exceed appropriations. Budgeted line-item classifications may be amended upon approval from the State Budget Division. The basis of accounting for the budget, as appropriated by the State Legislature and approved by the State Budget Division, differs from the basis of accounting required by GAAP.

Per the General Appropriation Act, Laws of 2007, Chapter 28, Section 3, item N, "For the purpose of administering the General Appropriation Act of 2008 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 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 should be disclosed. There are no encumbrances outstanding at year-end with the exception of Capital Projects, Fund 887, because the Capital Projects Funds include multi-year appropriations.

**2. CASH**

Cash in banks consists of cash on deposit with area banks amounting to \$80,861 which is primarily held for use by the Law Enforcement Division. These deposits are insured or collateralized with securities held by its agent in the entity's name. The Department completes a cash reconciliation, by fund, to verify the cash balances that are stated in the State's central account system, SHARE. This process has been in place prior to the implementation of SHARE and it will continue monthly for the Department.

**3. GENERAL FUND INVESTMENT POOL NOT RECONCILED**

In June 2012 an independent expert diagnostic report revealed that the General Fund Investment Pool balances have not been reconciled at the business unit/fund level since the inception of the Statewide Human Resources, Accounting, and Management Reporting System (SHARE) system in July of 2006. The Diagnostic report is available in the Resources section of the Cash Control page of the New Mexico Department of Finance & Administration's website at: [http://www.nmdfa.state.nm.us/Cash\\_Control.aspx](http://www.nmdfa.state.nm.us/Cash_Control.aspx). The document title is Current State Diagnostic of Cash Control.

The General Fund Investment Pool is the State of New Mexico's main operating account. State revenues such as income taxes, sales taxes, rents and royalties, and other recurring revenues are credited to the General Fund Investment Pool. The fund also comprises numerous State agency accounts whose assets, by statute (Section 8-6-3 NMSA 1978), must be held at the State Treasury.

**NM Department of Game and Fish**  
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As of June 30, 2012, the General Fund Investment Pool has not been reconciled at the business unit/fund level. Essentially, independent, third-party verification/confirmation of the Department of Game and Fish balances at the business unit/fund level is not possible.

Under the direction of the State Controller/Financial Control Division Director, the Financial Control Division of the New Mexico Department of Finance & Administration(DFA/FCD) is taking aggressive action to resolve this serious problem. DFA/FCD has commenced the Cash Management Remediation Project (Remediation Project) in partnership with the New Mexico State Treasurer's Office, the New Mexico Department of Information Technology, and a contracted third party PeopleSoft Treasury expert.

The purpose of the Remediation Project is to design and implement the changes necessary to reconcile the General Fund Investment Pool in a manner that is complete, accurate, and timely. The Remediation Project will make changes to the State's current SHARE system configuration, cash accounting policies and procedures, business practices, and banking structure. DFA is responsible for the State's book to bank reconciliation. The scheduled implementation date for the changes associated with the Remediation Project is February 1, 2013. An approach and plan to address the population of historical reconciling items will be developed during the Remediation Project, but a separate initiative will be undertaken to resolve the historical reconciling items.

The initial phase of the Remediation Project, completed on October 11, 2012, focused on developing a project plan and documenting current statewide business processes. The work product of the initial phase of the Remediation Project is a document entitled Cash Management Plan and Business Processes. This document is available on the Cash Control page of the New Mexico Department of Finance & Administration's website at: [http://www.nmdfa.state.nm.us/Cash\\_Control.aspx](http://www.nmdfa.state.nm.us/Cash_Control.aspx).

**4. INTEREST IN THE GENERAL FUND INVESTMENT POOL**

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

At June 30, 2012, the Department had \$50,587,384 invested in the General Fund Investment Pool.

- **Interest Rate Risk** - The New Mexico State Treasurer's Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.
- **Credit Risk** - The New Mexico State Treasurer pools are not rated.

For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer's Office for the fiscal year ended June 30, 2012.

**NM Department of Game and Fish  
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**5. INVESTMENTS**

State law requires the Department's investments to be managed by the New Mexico State Treasurer's Office, with the exception of those belonging to the Share with Wildlife Fund (see Schedule 1). The Department has entered into a joint powers agreement with the State Investment Council, which is authorized to offer investment advisory or management services, including the Pooled Investment.

Funds, pursuant to section 6-8-7.G, NMSA 1978. Accordingly, the investments of the Department consist of investments in the investment pools managed by these two entities.

The fair value of the investments maintained at the New Mexico State Treasurer's Office and the State Investment Council External Pooled Investment Funds are as follows at June 30, 2012:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
New Mexico State Treasurer's Office:		
General Fund Investment Pool	1 day to 3 years	\$ 50,587,384
State Investment Council:		
Equity funds:		
Non-U.S. Developed Markets	N/A	57,473
Emerging Markets	N/A	54,667
Fixed Income:		
U.S. Core Bonds	1 to 39 years	409,525
Large Cap Index	N/A	354,285
Mid/Small Cap Index	N/A	<u>113,411</u>
State Investment Council Total		<u>989,361</u>
Total Investments		\$ <u>51,576,745</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**

For additional GASB 40 disclosure information related to the above investment pools, the reader should refer to the separate audit reports for the State Treasurer's Office and the State Investment Council for the fiscal year ended June 30, 2012.

**NM Department of Game and Fish**  
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**Notes to Financial Statements**

**6. DUE FROM AND DUE TO OTHER FUNDS**

The following are short-term amounts owed between funds and are classified as due from/to other funds:

**A. Due From Other Funds**

<b>Amount Due To</b>	
<b>Non-Major Funds</b>	<b>Amount</b>
Non-Major Funds (Funds 30700, 42800, 49400, 54900, 09700)	\$ <u>605,546</u>
Total All Funds	\$ <u>605,546</u>

**B. Due To Other Funds**

<b>Amount Due From</b>	
<b>Major Fund</b>	<b>Amount</b>
Game Protection (Fund 19800)	\$ <u>605,546</u>
Total All Funds	\$ <u>605,546</u>

The amounts due to/from are primarily the result of revenue transfers between funds which are outstanding at year end. All the balances are expected to be paid during fiscal year 2013.

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**7. DUE FROM AND DUE TO OTHER STATE AGENCIES**

Due from and due to other state agencies represent interagency receivables and payables arising from interagency transactions.

<b>A.</b>	Due From Other State Agencies			
	Due From Other State Agencies	Fund No.		Amount
	Game Protection Fund	19800	\$	7,394
	Sikes Fund	09700		257
	Trail Safety Fund	10840		393
	Share with Wildlife Fund	30700		3
	Bond Interest & Retirement Fund	42800		361
	Big Game Depredation Fund	54900		157
	Big Game Enhancement Fund	77200		499
			\$	<u>9,064</u>
<b>B.</b>	Due From Agency/Fund			
	STO-Interest on Deposits	80100	\$	7,394
	STO-Interest on Deposits	80100		257
	STO-Interest on Deposits	80100		393
	STO-Interest on Deposits	80100		3
	STO-Interest on Deposits	80100		361
	STO-Interest on Deposits	80100		157
	STO-Interest on Deposits	80100		499
			\$	<u>9,064</u>

The Department had no amounts due to other state agencies at June 30, 2012.



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**8. CAPITAL ASSETS**

A summary of changes in capital assets follows:

Governmental-type Activities	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Land	\$ 3,077,666	340,229	(130,403)	\$ 33,287,492
Rights and easements	400,656	-	(2,597)	398,059
Library and museum	1,000	-	-	1,000
Work in progress	93,554	-	-	93,554
<b>Total non-depreciable assets</b>	<b>33,572,876</b>	<b>340,229</b>	<b>(133,000)</b>	<b>33,780,105</b>
Infrastructure	9,311,972	437,102	(53,952)	9,695,122
Fencing	4,412,941	474,720	-	4,887,661
Furniture and fixtures	757,153	22,720	-	779,873
Data processing equipment	350,208	98,185	(18,696)	429,697
Equipment	6,139,434	241,133	(52,158)	6,328,409
Automobiles	5,692,476	560,260	(477,347)	5,775,389
Buildings and structures	25,780,316	12,079	(155,464)	25,636,931
<b>Total depreciable assets</b>	<b>52,444,500</b>	<b>1,846,199</b>	<b>(757,617)</b>	<b>53,533,082</b>
Less accumulated depreciation:				
Infrastructure	(5,624,348)	(257,023)	53,952	(5,827,419)
Fencing	(2,408,425)	(380,076)	-	(2,788,501)
Furniture and fixtures	(290,977)	(26,261)	-	(317,238)
Data processing equipment	(291,391)	(36,132)	18,696	(308,827)
Equipment	(4,348,857)	(225,635)	52,158	(4,522,334)
Automobiles	(3,428,385)	(481,182)	474,110	(3,435,457)
Buildings and structures	(7,970,318)	(813,255)	76,197	(8,707,376)
<b>Total accumulated depreciation</b>	<b>(24,362,701)</b>	<b>(2,219,564)</b>	<b>675,113</b>	<b>(25,907,152)</b>
<b>Total capital assets, net</b>	<b>\$ 61,654,675</b>	<b>\$ (33,136)</b>	<b>\$ (215,504)</b>	<b>\$ 61,406,035</b>

Depreciation of \$2,219,564 was charged to the Game and Fish Resource Conservation Program.

**NM Department of Game and Fish  
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Notes to Financial Statements**

**9. REVERSIONS**

The Department did not have any capital projects funded with Severance Tax Bonds or Game Protection Fund that expired during the year.

**10. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2012:

	<u>Balance at June 30, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at June 30, 2012</u>
Compensated absences payable	\$ <u>1,078,010</u>	\$ <u>792,229</u>	\$ <u>(923,298)</u>	\$ <u>946,941</u>
Due within one year:				\$ <u>829,460</u>

The Game Protection Fund is used to liquidate compensated absences.

**11. OPERATING TRANSFERS**

Operating transfers consist of the following for the year ending June 30, 2012:

**Intra-agency Transfers**

	<u>Agency/Fund</u>		<u>Transfers In</u>		<u>Transfers Out</u>		<u>Total</u>
516-19800	Game Protection Fund – Major Fund	\$	-		(547,500)		(547,500)
516-42800	Bond Interest Fund		-		(100,000)		(100,000)
516-88700	Capital Improvement Fund		647,500		-		647,500
		\$	<u>647,500</u>		<u>(647,500)</u>		<u>-</u>

**Inter-agency Transfers**

	<u>Agency/Fund</u>		<u>Transfers In</u>		<u>Transfers Out</u>		<u>Total</u>
516-19800	Game Protection Fund – Major Fund	\$	-	\$	(497,300)	\$	(497,300)
516-88700	Capital Improvements Fund – Major Fund		256,930		-		256,930
		\$	<u>256,930</u>	\$	<u>(497,300)</u>	\$	<u>(240,370)</u>
521-19900	Energy, Minerals & Natural Resources Department		497,300		-		497,300
341-85300	Department of Finance & Administration		-		(256,930)		(256,930)
		\$	<u>497,300</u>	\$	<u>(256,930)</u>	\$	<u>240,370</u>

Transfers are largely the result of appropriation and severance tax draw activity occurring between the Game Protection Fund, Capital Projects Fund and the Department of Finance and Administration.

**NM Department of Game and Fish  
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Notes to Financial Statements**

**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, NM 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

• **Funding Policy**

Plan members are required to contribute 7.42% of their gross salary. The Department is required to contribute 16.59% 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, 2012, 2011 and 2010 were \$1,427,821, \$1,674,441 and \$1,776,233, respectively, which equal the amount of the required contributions for each fiscal year.

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

• **Plan Description**

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

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

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

**NM Department of Game and Fish  
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Notes to Financial Statements**

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

• **Funding Policy**

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee is required to contribute .917% of their salary. In the fiscal year ending June 30, 2013, the contribution rates for employers and employees will rise as follows:

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

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY 13	2.000%	1.000%

Also, employers joining the program after 1/1/98 are also 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, 2012, 2011 and 2010 was \$204,640, \$156,887 and \$166,013 respectively, which equal the required contributions for each year.

**15. COMMITMENTS AND CONTINGENCIES**

• **Operating Lease Obligations**

The Department is committed under several leases for office space, grounds and various equipment. These leases are considered for accounting purposes to be operating leases and are not reflected in the Department's liabilities accrued at June 30, 2012.

The following is a schedule by years of future minimum lease payments required under operating leases that have initial or remaining non-cancelable terms in excess of one year as of June 30, 2012.

**NM Department of Game and Fish  
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**16. COMMITMENTS AND CONTINGENCIES - continued**

- **Operating Lease Obligations - continued**

Years ending June 30:	<u>Lease Amounts</u>
2013	348,767
2014	352,845
2015	352,877
2016	178,066
2017	180,403
2018 thereafter	<u>1,423,798</u>
	\$ <u>2,836,756</u>

Total lease expense for the year ended June 30, 2012 was \$741,774.

- **Federal Grants**

The Department receives federal grants, which may be refundable in the event that all terms of the grants are not complied with. In the opinion of management, no material refunds will occur.

**17. SEVERANCE TAX BOND PROCEEDS**

To comply with Governmental Accounting Standards Board Statement No. 33 (GASBS 33), Accounting and Financial Reporting for Non-exchange Transactions, the Department has been authorized by the Legislature for a portion of bond proceeds. The Severance Tax Bonds were appropriated by Laws of 2008, Chapter 43, Section 18 for various capital projects. Under the modified accrual basis of accounting, GASBS 33 requires that the recognition of revenue and expenditures occur only when all applicable eligibility requirements have both been met. The Department requests drawdowns from the State Board of Finance and recognized revenue only when the eligibility requirements have been met. The Department requested \$256,930 during the year ending June 30, 2012.

**18. RISK MANAGEMENT**

The Department is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the agency carries insurance (Workers' Compensation, Unemployment Compensation, Employee Liability and Transportation Property), with the State of New Mexico Risk Management Division (RMD) of the General Services Department. There are no pending or known threatened legal proceedings involving material matters to which the Department is party. There were no significant reductions or changes in insurance coverage from the prior year. Settled claims did not exceed coverage in any of the past three fiscal years.

**19. JOINT POWERS AGREEMENTS**

Details of Joint Powers Agreements are disclosed in Supplemental Schedule 3.

**NM Department of Game and Fish  
June 30, 2012  
Notes to Financial Statements**

**20. MULTI-YEAR APPROPRIATIONS**

The Capital Project Funds Statement of Revenues and Expenditures - Budget and Actual (Budget Basis) does not include multiple year appropriation budgets. If multiple year budgets were included in the financial statements, the statements would be misleading.

**21. GOVERNMENTAL FUND BALANCES**

The Department's fund balances represent: 1) Restricted purposes, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; 2) Committed purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches; 3) Assigned purposes, which includes balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed. A summary of the nature and purpose of these reserves by fund type at June 30, 2012, follows:

The Department's fund balances are restricted under the Code of Federal Regulation – Title 50: Wildlife and Fisheries.

50CFR 80.3 – Assent Legislation states: A State fish and wildlife agency must certify the number of people having paid licenses to hunt and paid licenses to fish because the Service uses these data in statutory formulas to apportion funds in the Wildlife Restoration and Sport Fish Restoration programs among the States.

50 CFR 80.4 – Diversion of license fees states: Revenues from license fees paid by hunters and fishermen shall not be diverted to purposes other than administration of the State fish and wildlife agency.

(a) Revenues from license fees paid by hunters and fishermen are any revenues the State receives from the sale of licenses issued by the State conveying to a person the privilege to pursue or take wildlife or fish. For the purpose of this rule, revenue with respect to license sales by vendors, is considered to be the net income to the State after deducting reasonable vendor fees or similar amounts retained by sales agents. License revenues include income from:

(1) General or special licenses, permits, stamps, tags, access and recreation fees or other charges imposed by the State to hunt or fish for sport or recreation.

(2) Sale, lease, rental, or other granting of rights of real or personal property acquired or produced with license revenues. Real property includes, but is not limited to, lands, building, minerals, energy resources, timber, grazing, and animal products. Personal property includes, but is not limited to, equipment, vehicles, machine, tools, and annual crops.

(3) Interest, dividends, or other income earned on license revenues.

(4) Project reimbursements to the States to the extent that license revenues originally funded the project for which the reimbursement is being made.

(b) For purposes of this rule, administration of the State fish and wildlife agency include only those functions required to manage the fish and wildlife-oriented resources of the State for which the agency has authority under State law.

(c) A diversion of license fee revenues occurs when any portion of license revenues is used for

**NM Department of Game and Fish  
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Notes to Financial Statements**

**22. GOVERNMENTAL FUND BALANCES – continued**

any purpose other than the administration of the State fish and wildlife agency.

(d) If a diversion of license revenues occurs, the State becomes ineligible to participate under the pertinent Act from the date the diversion is declared by the Director until:

(1) Adequate legislative prohibitions are in place to prevent diversion of license revenue, and

(2) All license revenues or assets acquired with license revenues are restored, or an amount equal to license revenue diverted or current market value of assets diverted (whichever is greater) is returned and properly available for use for the administration of the State fish and wildlife agency.

(e) Federal funds obligated for projects approved prior to the date a diversion is declared remain available for expenditure on such projects without regard to the intervening period of the State's ineligibility.

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**NM Department of Game and Fish  
June 30, 2012  
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	General Fund	Major Capital Projects		Nonmajor Special Revenue Funds						Debt Service	
		Game Protection Fund 19800	Capital Projects 88700	Habitat Management 49400	Big Game Enhancement 77200	Big Game Depredation 54900	Trail Safety Fund 10840	Sikes Act 09700	Share with Wildlife 30700		Bond Interest and Retirement Fund - 42800
Fund Balances:											
Nonspendable:											
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:											
50 CFR 80.3 and 80.4 Wildlife and Fisheries	36,942,167	1,104,561	3,712,586	2,425,011	895,895	1,808,475	1,527,754	946,687	1,864,473		
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>\$ 36,942,167</b>	<b>\$ 1,104,561</b>	<b>\$ 3,712,586</b>	<b>\$ 2,425,011</b>	<b>\$ 895,895</b>	<b>\$ 1,808,475</b>	<b>\$ 1,527,754</b>	<b>\$ 946,687</b>	<b>\$ 1,864,473</b>		



**Supplementary Information**

NM Department of Game and Fish  
 Year Ended June 30, 2012  
 Supplementary Information

Combining Balance Sheet  
 Nonmajor Governmental Funds

	Habitat Management Fund - 49400	Big Game Enhancement - 77200	Big Game Depredation- 54900	Trail Safety Fund - 10840	Sikes Act Fund - 09700	Share With Wildlife - 30700	Bond Interest Retirement Fund - 42800	Total Nonmajor Governmental Funds
<b>ASSETS</b>								
Investments	\$ 3,532,600	\$ 2,466,670	\$ 865,837	\$ 1,889,601	\$ 1,519,094	\$ 1,008,583	\$ 1,811,538	\$ 13,093,923
Due from Other State Agencies	--	499	157	393	257	3	361	1,670
Due from Federal Government	76,613	248,185	--	--	3,322	45,241	--	373,361
Due from other funds	201,861	--	86,513	--	264,538	60	52,574	605,546
<b>Total Assets</b>	<b>\$ 3,811,074</b>	<b>\$ 2,715,354</b>	<b>\$ 952,507</b>	<b>\$ 1,889,994</b>	<b>\$ 1,787,211</b>	<b>\$ 1,053,887</b>	<b>\$ 1,864,473</b>	<b>\$ 14,074,500</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 98,488	\$ 284,990	\$ 56,612	\$ 74,395	\$ 256,117	\$ 107,200	\$ --	\$ 877,802
Accrued Payroll	--	5,353	--	7,124	3,340	--	--	15,817
<b>Total Liabilities</b>	<b>\$ 98,488</b>	<b>\$ 290,343</b>	<b>\$ 56,612</b>	<b>\$ 81,519</b>	<b>\$ 259,457</b>	<b>\$ 107,200</b>	<b>\$ --</b>	<b>\$ 893,619</b>
<b>FUND BALANCE</b>								
Restricted	3,712,586	2,425,011	895,895	1,808,475	1,527,754	946,687	1,864,473	13,180,881
<b>Total Fund Balance</b>	<b>\$ 3,712,586</b>	<b>\$ 2,425,011</b>	<b>\$ 895,895</b>	<b>\$ 1,808,475</b>	<b>\$ 1,527,754</b>	<b>\$ 946,687</b>	<b>\$ 1,864,473</b>	<b>\$ 13,180,881</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 3,811,074</b>	<b>\$ 2,715,354</b>	<b>\$ 952,507</b>	<b>\$ 1,889,994</b>	<b>\$ 1,787,211</b>	<b>\$ 1,053,887</b>	<b>\$ 1,864,473</b>	<b>\$ 14,074,500</b>

**NM Department of Game and Fish  
Year Ended June 30, 2012  
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**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Governmental Funds**

	Special Revenue					Debt Service		Total Nonmajor Governmental Funds
	Habitat Management Fund - 49400	Big Game Enhancement - 77200	Big Game Depredation- 54900	Trail Safety Fund - 10840	Sikes Act Fund - 09700	Share With Wildlife - 30700	Bond Interest Retirement Fund - 42800	
<b>Revenues</b>								
Service Revenue	\$ 720,008	\$ 480,293	\$ 395,526	\$ 584,120	\$ 921,700	\$ 3,660	\$ 183,903	\$ 3,289,210
Federal Grants	436,610	584,769	--	--	13,512	60,941	--	1,095,832
Interest Earned	--	--	1,194	2,752	1,909	28	2,708	8,591
Other Revenue	--	2	--	24,621	2	42,021	--	66,646
Unrealized gain	--	--	--	--	--	5,965	--	5,965
<b>Total Revenues</b>	<u>1,156,618</u>	<u>1,065,064</u>	<u>396,720</u>	<u>611,493</u>	<u>937,123</u>	<u>112,615</u>	<u>186,611</u>	<u>4,466,244</u>
<b>Expenditures</b>								
Game and Fish Resource Conservation	319,967	898,222	92,522	328,210	772,010	164,018	--	2,574,949
Capital Outlay	269,960	--	314,840	62,944	--	--	--	647,744
<b>Total Expenditures</b>	<u>589,927</u>	<u>898,222</u>	<u>407,362</u>	<u>391,154</u>	<u>772,010</u>	<u>164,018</u>	<u>--</u>	<u>3,222,693</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>566,691</u>	<u>166,842</u>	<u>(10,642)</u>	<u>220,339</u>	<u>165,113</u>	<u>(51,403)</u>	<u>186,611</u>	<u>1,237,586</u>
<b>Other Financing Sources (Uses)</b>								
Intra-Agency Transfers	--	--	--	--	--	--	(100,000)	(100,000)
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(100,000)</u>	<u>(100,000)</u>
<b>Net Change in Fund Balance</b>	<u>566,691</u>	<u>166,842</u>	<u>(10,642)</u>	<u>220,339</u>	<u>165,113</u>	<u>(51,403)</u>	<u>86,611</u>	<u>1,143,551</u>
<b>Fund Balance at Beginning of Period</b>	3,145,895	2,258,169	906,537	1,588,136	1,362,641	998,090	1,777,862	12,037,330
<b>Fund Balance at End of Period</b>	<u>\$ 3,712,586</u>	<u>\$ 2,425,011</u>	<u>\$ 895,895</u>	<u>\$ 1,808,475</u>	<u>\$ 1,527,754</u>	<u>\$ 946,687</u>	<u>\$ 1,864,473</u>	<u>\$ 13,180,881</u>

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Supplementary Information**

**Statement of Revenues and Expenditures - Budget and Actual  
(Budgetary Basis) Habitat Management Fund - 49400**

	Budgeted Amounts		Final	(Budgetary Basis) Actual	Variance Favorable (Unfavorable) Final to Actual
	Original				
<b>Revenues</b>					
Service Revenue	\$ 708,000	\$	708,000	\$ 720,008	\$ 12,008
Federal Grants	92,000		92,000	436,610	344,610
<b>Total Revenues</b>	<b>800,000</b>		<b>800,000</b>	<b>1,156,618</b>	<b>356,618</b>
<b>Expenditures</b>					
Contractual Services	300,000		300,000	178,833	121,167
Other Costs	500,000		500,000	411,094	88,906
<b>Total Expenditures</b>	<b>800,000</b>		<b>800,000</b>	<b>589,927</b>	<b>210,073</b>
Excess of Revenues and Other Sources Over Expenditures and Other Uses				566,691	

Note: There were no reconciling items required to get to the GAAP Basis.

**NM Department of Game and Fish**  
**Year Ended June 30, 2012**  
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**Statement of Revenues and Expenditures - Budget and Actual**  
**(Budgetary Basis) Big Game Enhancement Fund - 77200**

	Budgeted Amounts		Final	(Budgetary Basis) Actual	Variance Favorable (Unfavorable) Final to Actual
	Original	Final			
<b>Revenues</b>					
Service Revenue	\$ 568,700	\$ 568,700	\$ 568,700	480,293	(88,407)
Federal Grants	557,500	557,500	557,500	584,769	27,269
Other Revenue	-	-	-	2	2
<b>Total Revenues</b>	<u>1,126,200</u>	<u>1,126,200</u>	<u>1,126,200</u>	<u>1,065,064</u>	<u>(61,136)</u>
Fund Balance Budgeted	26,400	26,400	26,400	-	-
<b>Total Revenues and Fund Balance Budgeted</b>	<u>1,152,600</u>	<u>1,152,600</u>	<u>1,152,600</u>	<u>1,065,064</u>	<u>(61,136)</u>
<b>Expenditures</b>					
Personal Services and Benefits	92,600	92,600	92,600	89,039	3,561
Contractual Services	555,000	555,000	555,000	375,700	179,300
Other Costs	505,000	505,000	505,000	433,483	71,519
<b>Total Expenditures</b>	<u>1,152,600</u>	<u>1,152,600</u>	<u>1,152,600</u>	<u>898,222</u>	<u>254,380</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses				<u>166,842</u>	

Note: There were no reconciling items required to get to the GAAP Basis.

**NM Department of Game and Fish**  
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**Statement of Revenues and Expenditures - Budget and Actual**  
**(Budgetary Basis) Big Game Depredation Fund - 54900**

	Budgeted Amounts		Final	(Budgetary Basis) Actual	Variance Favorable (Unfavorable) Final to Actual
	Original				
<b>Revenues</b>					
Service Revenue	\$ 405,200	\$	405,200	\$ 395,526	\$ (9,674)
Interest Earned	900	900	900	1,194	294
<b>Total Revenues</b>	<b>406,100</b>		<b>406,100</b>	<b>396,720</b>	<b>(9,380)</b>
Fund Balance Budgeted	118,900		118,900	-	-
<b>Total Revenues and Fund Balance Budgeted</b>	<b>525,000</b>		<b>525,000</b>	<b>396,720</b>	<b>(9,380)</b>
<b>Expenditures</b>					
Contractual Services	25,000		25,000	-	25,000
Other Costs	500,000		500,000	407,362	92,638
<b>Total Expenditures and Other Financing Uses</b>	<b>525,000</b>		<b>525,000</b>	<b>407,362</b>	<b>117,638</b>
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses				(10,642)	

Note: There were no reconciling items required to get to the GAAP Basis.

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Supplementary Information**

**Statement of Revenues and Expenditures - Budget and Actual  
(Budgetary Basis) Trail Safety Fund - 10840**

	Budgeted Amounts		Final	(Budgetary Basis)		Variance Favorable (Unfavorable) Final to Actual
	Original	Final		Actual	Actual	
<b>Revenues</b>						
Service Revenue	\$ 656,000	\$ 656,000	\$	584,120	\$	(71,880)
Interest Earned	-	-	-	2,752	-	2,752
Other Revenue	-	-	-	24,621	-	24,621
<b>Total Revenues</b>	<b>656,000</b>	<b>656,000</b>	<b>656,000</b>	<b>611,493</b>	<b>611,493</b>	<b>(44,507)</b>
<b>Expenditures</b>						
Personal Services and Benefits	287,600	287,600	287,600	174,934	-	112,666
Contractual Services	120,000	40,000	40,000	5,410	-	34,590
Other Costs	248,000	328,400	328,400	210,810	-	117,590
<b>Total Expenditures</b>	<b>656,000</b>	<b>656,000</b>	<b>656,000</b>	<b>391,154</b>	<b>391,154</b>	<b>264,846</b>
Excess of Revenues and Other Sources Over Expenditures and Other Uses					<u>220,339</u>	

Note: There were no reconciling items required to get to the GAAP Basis.

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Supplementary Information**

**Statement of Revenues and Expenditures - Budget and Actual  
(Budgetary Basis) Sikes Act Fund - 09700**

	Budgeted Amounts		(Budgetary Basis) Actual	Variance Favorable (Unfavorable) Final to Actual
	Original	Final		
<b>Revenues</b>				
Service Revenue	\$ 851,800	\$ 851,800	\$ 921,700	\$ 69,900
Federal Grants	-	-	13,512	13,512
Interest Earned	600	600	1,909	1,309
Other Revenue	-	-	2	2
<b>Total Revenues</b>	<b>852,400</b>	<b>852,400</b>	<b>937,123</b>	<b>84,723</b>
<b>Expenditures</b>				
Personal Services and Benefits	96,400	96,400	84,277	12,123
Other Costs	756,000	756,000	687,733	68,267
<b>Total Expenditures</b>	<b>852,400</b>	<b>852,400</b>	<b>772,010</b>	<b>80,390</b>
Excess of Revenues and Other Sources Over Expenditures and Other Uses			165,113	

Note: There were no reconciling items required to get to the GAAP Basis.



**NM Department of Game and Fish  
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Supplementary Information**

**Statement of Revenues and Expenditures - Budget and Actual  
(Budgetary Basis) Share With Wildlife Fund - 30700**

	Budgeted Amounts		Final	(Budgetary Basis)		Variance Favorable (Unfavorable) Final to Actual
	Original			Actual		
<b>Revenues</b>						
Service Revenue	\$ 4,200	\$	4,200	\$	3,660	(540)
Federal Grants	72,500		72,500		60,941	(11,559)
Interest Earned	100		100		28	(72)
Other Revenue	41,900		41,900		42,021	121
Unrealized Gain or Loss	-		-		5,965	5,965
<b>Total Revenues</b>	<b>118,700</b>		<b>118,700</b>		<b>112,615</b>	<b>(6,085)</b>
Fund Balance Budgeted	46,300		46,300			
<b>Total Revenues and Fund Balance Budgeted</b>	<b>165,000</b>		<b>165,000</b>			
<b>Expenditures</b>						
Contractual Services	165,000		165,000		164,018	982
<b>Total Expenditures</b>	<b>165,000</b>		<b>165,000</b>		<b>164,018</b>	<b>982</b>
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses					<u>(51,403)</u>	

Note: There were no reconciling items required to get to the GAAP Basis.

**NM Department of Game and Fish**  
**Year Ended June 30, 2012**  
**Supplementary Information**

**Statement of Revenues and Expenditures - Budget and Actual**  
**(Budgetary Basis) Bond Interest Retirement Fund - 42800**

	Budgeted Amounts		(Budgetary Basis) Actual	Variance Favorable (Unfavorable) Final to Actual
	Original	Final		
<b>Revenues</b>				
Service Revenue	-	-	183,903 \$	183,903
Interest Earned	-	-	2,708	2,708
<b>Total Revenues</b>	-	-	186,611	186,611
<b>Expenditures</b>				
Other Financing Uses	-	100,000	100,000	-
<b>Total Expenditures and Other Financing Uses</b>	-	100,000	(100,000)	-
Excess of Revenues and Other Sources Over Expenditures and Other Uses			86,611	

Note: There were no reconciling items required to get to the GAAP Basis.

**NM Department of Game and Fish  
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**Capital Projects Fund - 88700 Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis)**

	Budgeted Amounts		Received Prior Years	Received Current Year	Total Revenue	Variance From Final Budget Positive (Negative)
	Original	Final				
<b>Revenue:</b>						
Federal sources	\$ 6,862,780	\$ 9,234,530	\$ 11,514,199	\$ 634,966	\$ 12,149,165	\$ 2,914,635
State general fund	14,155,668	17,610,341	9,650,000	-	9,650,000	(7,960,341)
Bond proceeds	5,007,572	6,425,164	5,665,773	256,930	5,922,703	(502,461)
Other financing sources	21,458,750	35,498,735	32,057,338	647,500	32,704,838	(2,793,897)
<b>Total Revenues:</b>	<b>\$ 47,484,770</b>	<b>\$ 68,768,770</b>	<b>\$ 58,887,310</b>	<b>\$ 1,539,396</b>	<b>\$ 60,426,706</b>	<b>\$ (8,342,064)</b>
Fund Balance Budgeted	4,433,218	5,463,162				
<b>Total Revenues and Fund Balance Budgeted</b>	<b>\$ 51,917,988</b>	<b>\$ 74,231,932</b>				

	Budgeted Amounts		Expended Prior Years	Expended Current Year	Total Expenditures	Variance From Final Budget Positive (Negative)
	Original	Final				
<b>Expenditures:</b>						
Maintenance and repairs	\$ 362,204	\$ 463,604	\$ 394,978	\$ 8,500	\$ 403,478	\$ 60,126
Supplies	119,860	167,460	151,167	8,100	159,267	8,193
Contractual Services	5,132,092	5,167,092	1,931,137	624,159	2,555,296	2,611,796
Operating Costs	1,062,826	2,092,770	1,029,944	-	1,029,944	1,062,826
Land conservation easements	6,772,387	6,772,387	4,320,683	-	4,320,683	2,451,704
Capital outlay	28,174,004	49,274,004	42,882,616	259,491	43,142,107	6,131,897
Other financing uses	10,294,615	10,294,615	4,084,472	-	4,084,472	6,210,143
<b>Total Expenditures:</b>	<b>\$ 51,917,988</b>	<b>\$ 74,231,932</b>	<b>\$ 54,794,997</b>	<b>\$ 900,250</b>	<b>\$ 55,695,247</b>	<b>\$ 18,536,685</b>
Excess of Revenues and Other Sources Over Expenditures and Other Uses						<u>\$ 639,146</u>

Note: There are no reconciling items to get to the GAAP Basis.

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Supplementary Information**

**Schedule 1 – Supplemental Schedule of Cash Accounts including Investments**

Name of Depository	Account Name	Fund Type	SHARE System Fund No.	Type of Account	Bank/Book Balance	Book Amount
NM State Treasurer	Game Protection Fund	General	19800	State Treasury	37,354,536	37,354,536
NM State Treasurer	Trail Safety Fund	Special Revenue	10840	State Treasury	1,889,601	1,889,601
NM State Treasurer	Sikes Fund	Special Revenue	09700	State Treasury	1,519,094	1,519,094
NM State Treasurer	Capital Projects Fund	Capital	88700	State Treasury	1,128,286	1,128,286
NM State Treasurer	Share with Wildlife Fund	Special Revenue	30700	State Treasury	19,222	19,222
NM State Treasurer	Wildlife Conservation Fund	Special Revenue	30800	State Treasury	-	-
NM State Treasurer	Big Game Depredation fund	Special Revenue	54900	State Treasury	865,837	865,837
NM State Treasurer	Big Game Enhancement Fund	Special Revenue	77200	State Treasury	2,466,670	2,466,670
NM State Treasurer	Habitat Management Fund	Special Revenue	49400	State Treasury	3,532,600	3,532,600
NM State Treasurer	Bond Interest & Retirement Fund	Debt Service	42800	State Treasury	1,811,538	1,811,538
<b>Total Investments - State Treasurer's Office Investment Pool</b>						
State Investment Council	Share with Wildlife Fund	Special Revenue	30700	Investment	50,587,384	50,587,384
<b>Total Investments</b>					<b>\$ 51,576,745</b>	<b>\$ 51,576,745</b>
<b>Game Protection Fund Cash:</b>						
Dept. of Game and Fish	Petty Cash-Cashier- Santa Fe	General		Petty Cash	\$	3,300
<b>Total Cash - Dept. of Game and Fish</b>					<b>\$</b>	<b>3,300</b>
<b>Financial statement cash balance</b>					<b>\$</b>	<b>3,300</b>

NM Department of Game and Fish  
 Year Ended June 30, 2012  
 Supplementary Information

Schedule 2 - Supplemental Schedule of Changes in Assets and Liabilities - Agency Funds

OPERATION GAME THIEF - LAW ENFORCEMENT

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
<b>ASSETS:</b>				
Cash on deposit	78,755	24,045	21,939	80,861
<b>Total assets:</b>	<u>78,755</u>	<u>24,045</u>	<u>21,939</u>	<u>80,861</u>
<b>LIABILITIES:</b>				
Deposits held in custody for others	78,755	24,045	21,939	80,861
<b>Total liabilities:</b>	<u>78,755</u>	<u>24,045</u>	<u>21,939</u>	<u>80,861</u>

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Supplementary Information**

**Schedule 3 - Supplemental Schedule of Joint Powers Agreements**

The following is a list of Joint Powers Agreements the Department has entered into:

	Participants	Dates of Agreement		Applicable	Contributed	Responsibility
		Beginning	Ending			
Engineering and project management services for Bear Canyon Restoration Project.	USFS, Region 3	1/1/2001	Ongoing	\$ - \$	-	NMDGF
Master agreement to work cooperatively in managing wildlife on national forest lands.	USFS, Region 3	4/1/1958	Ongoing	\$ - \$	-	NMDGF
Agreement to consult with the Department regarding livestock use permitted numbers on the Horsethief	USFS, Santa Fe	4/1/1960	Ongoing	\$ - \$	-	NMDGF
Amendment to clarify national forests and lands meaning in original 1958 agreement.	USFS, Region 3	2/1/1961	Ongoing	\$ - \$	-	NMDGF
Amendment to 1958 agreement regarding constructing hunting and angling facilities in national forests.	USFS, Region 3	8/1/1964	Ongoing	\$ - \$	-	NMDGF
Amendment to 1958 agreement regarding resource or land management in which state listed species or habitat may be affected.	USFS, Region 3	1/1/1980	Ongoing	\$ - \$	-	NMDGF
Agreement to conserve and protect the peregrine falcon.	USFS, Region 3	3/1/1985	Ongoing	\$ - \$	-	NMDGF
Revision to establish a new master agreement to manage wildlife on national forest land.	USFS, Region 3	4/1/1991	Ongoing	\$ - \$	-	NMDGF
Establish a framework in which to share electronic data and other forms of information.	USFS, Region 3	5/1/1991	Ongoing	\$ - \$	-	NMDGF
Release and study of gemsbok onto the range.	White Sands M.R.	6/1/1969	Ongoing	\$ - \$	-	NMDGF
Coordination of vegetal control projects.	BLM	7/1/1972	Ongoing	\$ - \$	-	NMDGF
Develop Jackson Lake Wildlife Management Area.	BLM	5/1/1987	Ongoing	\$ - \$	-	NMDGF
Agency relationships and duties in the Pecos River EIS development.	U.S. BOR	2/1/2000	Ongoing	\$ - \$	-	NMDGF
Restoration and management of Rio Grande Cutthroat Trout.	USFWS, Region 2	8/1/2000	Ongoing	\$ - \$	-	NMDGF
Conservation of candidate, proposed and listed species and their habitats in the State of New Mexico.	USFWS, Region 2	10/1/1994	Ongoing	\$ - \$	-	NMDGF
Management of fish and wildlife on National Park Service property.	National Park Svc.	7/1/1972	Ongoing	\$ - \$	-	NMDGF

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Supplementary Information**

**Schedule 3 - Supplemental Schedule of Joint Powers Agreements**

	Participants	Dates of Agreement		Applicable	Contributed	Responsibility
		Beginning	Ending			
Wildlife management activities on public lands under the purview of the BLM.	U.S. BLM	12/1/1980	Ongoing	\$ -	-	NMDGF
Boat-use Facilities with Wallop-Breaux Funds - boat access project priorities at State Parks which places SPRD on a 5-year plan cycle.	EMNRD & State Parks Division	2/1/2001	9/1/2009	\$ 315,000	\$ 315,000	EMNRD
Cooperative measures specific to construction of new highways and impact to wildlife and proposed developments affecting streams flows or highway facilities.	NM State Highway Commission	9/1/1963	Ongoing	\$ -	-	NMDGF & State Hwy. Dept.
Cooperative effort in wildlife management on State Trust lands leased by the Department	State Land Office	4/1/1987	Ongoing	\$ -	-	NMDGF & State Land Office
Agreement to develop and maintain Ule Dam Lake.	Interstate Stream Commission	8/1/1962	Ongoing	\$ 147,300	147,300	NMDGF
Cooperative effort to develop resource management plans that affect wildlife and forest health.	EMNRD-State Forestry Div.	2/1/1978	Ongoing	\$ -	-	NMDGF
Utilize inmate work crews on habitat improvement projects on the Department's properties.	EMNRD-Forestry Division	4/1/1998	Ongoing	Depends on amt. in oper. budget	-	NMDGF
Establishes process for accepting mine remediation funds to conduct remediation of mine waste at the upper-Pecos site, including Lisboa Springs Hatchery.	NM DFA	6/1/1998	Ongoing	\$ -	-	EMNRD
Agreement to initiate a bear study project on the Philmont Scout Ranch.	Philmont Scout Ranch	11/1/1987	Ongoing	\$ -	-	NMDGF
Management agreement for the restoration of Rio Grande Cutthroat Trout on South Ponil Creek.	Philmont Scout Ranch	9/1/1999	Ongoing	\$ -	-	NMDGF
Allows the Department to modify existing fences to minimize any restriction of movements by Desert Bighorn Sheep.	Mrs. R. Evans, Mr. A. Foster, Mr. R. Winkler	5/1/1981	Ongoing	\$ -	-	NMDGF
Allows the Department to transplant sheep onto property owned by NMRP on the Fra Cristobal Mountains.	N.M. Ranch Properties	8/1/1995	Ongoing	\$ -	-	NMDGF
Policy and procedures for handling depreddating and nuisance bears by Vermejo Park personnel or agents.	Vermejo Park Ranch	5/1/2000	Ongoing	\$ -	-	NMDGF
Develop and implement turkey projects in NM with funding by NWTF.	NH. Wild Turkey Federation	9/1/1988	Ongoing	\$ -	-	NMDGF

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Supplementary Information**

**Schedule 3 - Supplemental Schedule of Joint Powers Agreements**

Agreement Description	Effective Date	Amount	Status	Agency	Funding Source
Allows the Department to transplant sheep on TGIA land in the Manzano Mountains.	7/1/1998	\$ -	Ongoing	Tierra Grande Improvement Assoc.	NMDGF
Data collecting, processing and sharing of use of fish and wildlife resource information.	5/1/1992	\$ -	Ongoing	Nature Conservancy	NMDGF
Parameters to develop, construct, monitor and maintain pilot wetland project on the SCC Picacho Bosque Wetland Project.	7/1/2001	\$ -	Ongoing	Southwest Environmental Center	NMDGF
Establishes the bighorn sheep study on the San Andres National Wildlife Refuge.	6/1/1975	\$ -	Ongoing	White Sands M.R. & USFWS	NMDGF
Conservation and management of wildlife on national forest and BLM lands (Sikes Act provisions).	11/1/1984	\$ -	Ongoing	USFS, Region 3 & BLM	NMDGF
Management of wildlife on the missile range and the San Andres Refuge.	6/1/1985	\$ -	Ongoing	White Sands M.R., USFWS, San Andres Refuge	NMDGF
Establish mountain lion study and mule deer study areas, terms and conditions.	7/1/1985	\$ -	Ongoing	White Sands M.R., USFWS, San Andres Refuge	NMDGF
Implement collective management programs to sustain and enhance distribution and abundance of sage grouse in each state/province.	8/1/1989	\$ -	Ongoing	Western Assoc. of Fish & Wildlife Agencies	NMDGF
Work with NM Cowbells to develop and promote Operation Respect.	7/1/1983	\$ -	Ongoing	BLM, USFS, NM Land Office	NMDGF
Temporary agreement concerning administration of Navajo Reservoir for recreation and fish and wildlife management.	5/1/1997	\$ -	Ongoing	EMNRD State Parks Div. & BOR	NMDGF & EMNRD St. Parks
Establishes Middle Rio Grande Endangered Species Act Collaborative Program.	1/1/2000	\$ -	Ongoing	USFWS, SEO, ISC, NMAG & BOR	NMDGF
Administration of oil, gas, and mineral leasing within Navajo Reservoir Area.	2/1/1967	\$ -	Ongoing	BOR, EMNRD State Park Div. & BLM	NMDGF
Establishes animal damage control guidelines.	2/1/1978	\$ -	Ongoing	USFWS, BLM, USFS, NM Ag.	NMDGF
Analysis of data, report, recommendations and development of water management plans for Pecos Bluntnose Shiner.	2/1/1997	\$ -	Ongoing	CID, BOR, USFWS, NM State Engineer	NMDGF
Conservation strategies for the jaguar in Arizona and New Mexico.	UNK	\$ -	UNK	AZDGF, USFWS, BLM, USFS, NPS, APHIS, NIMDAG, NIMSLO, Hidalgo, Otero, Pima & Cochise Counties	NMDGF



# NM Department of Game and Fish Year Ended June 30, 2012 Supplementary Information

## Schedule 3 - Supplemental Schedule of Joint Powers Agreements

Project Description	Authority	Effective Date	Status	Funding Source	Amount	Agency
Cooperative management of Vermejo Park Ranch, Valle Vidal and Carson National Forest lands.	USFS Reg. 3, Vermejo Park Corp.	2/1/1982	Ongoing	- \$	-	NMDGF
Establishes partnership for the protection and restoration of native fisheries.	Rio Grande chptr. of T.U., NM Trout Un., USFS Reg 3, BLM	1/1/1997	Ongoing	- \$	-	NMDGF
Agreement to restore Rio Grande Cutthroat Trout in Poso Creek and Willow Creek.	Jacarillo Tribe, Running Elk Corp., USFWS Reg. 2	9/1/1998	Ongoing	- \$	-	NMDGF
Establish a relationship between the Department and the SIC.	SIC	7/28/1998	Ongoing	Depends on Fund	253	NMDGF
Ensure water is acquired and used for protection of listed threatened species.	Interstate Stream Commission, NMGF	4/1/2002	Ongoing	- \$	-	NMDGF & Int. Stream Comm.
Development, issuance and withdrawals of fish consumption advisories resulting from the presence of contaminants in fish tissues.	NMDGF, NMDOH, NMED	3/31/2004	Ongoing	- \$	-	NMDGF & Int. Stream Comm.
Establish broad policies for operation of a statewide Sikes Act Public Land Management Stamp Program in New Mexico.	USDA, Forest Svc., NMDGF, USD	1/18/2005	Ongoing	Funds generated by sale of stamp	1,402,900	NMDGF
Manage the elk population to improve herd quality; redistribution of voluntarily returned unused landowner authorization certificates.	NMDGF, Unit 4 Coop. Pilot Project	7/15/2003	Ongoing	- \$	-	NMDGF
Installation of a trick tank in the Ranger District of Carson National Forest.	NMDGF, USDA Forest Svc.	12/1/2002	Ongoing	- \$	-	NMDGF
Management of the WIPP withdrawal area.	USDE, NMDGF, EMNR, OCA, SLO	4/25/1997	Ongoing	- \$	-	NMDGF
Environmental Impact Statement for amendment to the Mimbres Resource Management Plan and Revision to White Sands RMP.	DOI, BLM, Las Cruces Dist. Office, NMDGF	3/13/2006	Ongoing	- \$	-	NMDGF
Maintain, manage and supervise all state parks and state owned or leased recreation areas; acquire, develop, improve and manage lands for game refuge.	EMNRD, NMDGF	2/14/1989	Ongoing	- \$	-	NMDGF
Reimburse ISC an amount not to exceed \$40,000 for costs for managing and operating Eagle Nest Dam.	NMDGF, State Engr. Ofc, Interstate Stream Commission	9/25/2003	Ongoing	40,000 \$	40,000	NMDGF
Maintain specimens of fishes collected for scientific studies or other activities.	NMDGF, Regents of UNM thru Div. of Fishes, Museum of SW Biol., UNM-ABQ	7/18/2006	Ongoing	- \$	-	NMDGF

# NM Department of Game and Fish Year Ended June 30, 2012 Supplementary Information

## Schedule 3 - Supplemental Schedule of Joint Powers Agreements

Agreement Description	Entity	Effective Date	Start Date	End Date	Amount	Agency
Governing the relationship between the Department and BLM regarding Special Status Species Resource Management Plan Amendment (SSSRMPA).	NMDGF, Pecos District of BLM	Ongoing	3/24/2005	-	\$	NMDGF
Non-native Sait Cedar and Russian Olive control on the Escondida Property.	Soil & Water Cons. Dist. and DGF	6/30/2013	6/10/2008	-	\$	NMDGF
Set forth conditions for license across SGC land in Taos County for proposed public access trail known as the Pescado Trail.	US Dept. of Interior, BLM- Taos Field Office	6/30/2017	7/1/2007	-	\$	NMDGF
Establish a formal framework by which the Department will work with Virginia Tech to maintain and improve the BISON-M.	NMDGF, VPISU	N/A	5/7/2007	-	\$	NMDGF
The Department will conduct the Rio Grande cutthroat trout spawning project within the municipal reservoirs operated by the Water Division.	NMDGF, City of SF Water Div.	N/A	9/11/2007	-	\$	NMDGF
Agreement between the NMSSGC and the City of Hobbs to manage the property and lake, and their associated uses, cooperatively and effectively.	NMSSGC, City of Hobbs	Ongoing	11/3/2008	-	\$	NMDGF
Valencia Soil and Water Conservation district shall at all times be maintained and operated to achieve its conservation and recreational goals.	NMDGF, VSWCD, DFA	4/7/2013	4/7/2009	-	\$	NMDGF
For the Conservation, Protection and Management of multi-state aquatic resources in adjacent waters.	NMDGF, Arizona DGF, California DGF, Colorado DGF, Nevada DGF, Utah DGF, Wyoming DGF	Ongoing	3/6/2008	-	\$	NMDGF
Collaborative planning and the production of an Environmental Impact Statement for a revision to the Rio Puerco Resource Management Plan.	NMDGF, USBLM	Ongoing	1/29/2009	-	\$	NMDGF
The Off-highway Motor Vehicle Act provides that responsibility and authority for management of personnel, property, records and appropriations is transferred from the NM Tourism Department to the Department	NMDGF, NMTD	Ongoing	4/22/2009	-	\$	NMDGF
Appropriation of New Mexico's portion of the Arizona Water Settlement Act of 2004 for the Gila River Project.	NMDGF, DFA	6/30/2009	1/8/2009	-	\$	NMDGF
To regulate open and closed seasons for taking game fish, licensing fishermen to fish the waters of the State, and to provide fishing opportunities.	NMDGF, CITY OF ALAMAGORDO	4/16/2012	4/16/2009	-	\$	NMDGF
Agreement for the construction of a game resistant fence on property owned by Stockton.	NMDGF, GENE STOCKTON	Ongoing	5/29/2009	-	\$	NMDGF
To work cooperatively to remove feral sheep, goats, and pigs from areas where they may pose a threat to wildlife and agricultural resources.	NMDGF, LIVESTOCK BOARD	6/30/2014	9/9/2009	-	\$	NMDGF

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Supplementary Information**

**Schedule 3 - Supplemental Schedule of Joint Powers Agreements**

To provide a framework for cooperation and coordination between the BLM and the Cooperator that will ensure successful completion of the RMP/EIE in a timely, efficient, and thorough manner.	NMDGF, USDI/BLM TAOS FIELD OFFICE	12/15/2009	Ongoing	\$	\$	NMDGF
To promote effective communication and collaboration between the state agency and New Mexico Indian nations, tribes and pueblos.	NMDGF, 22 INDIAN NATIONS, TRIBES & PUEBLOS	12/16/2009	Ongoing	\$	\$	NMDGF
Department of Game and Fish grants and assigns to EMNDR authorization to operate State Parks in the areas designated for use as State Parks.	NMDGF, NMSGC EMNRD	1/21/2010	Ongoing	\$	\$	NMDGF
Agreement between the Western Governor Association and Department of Game and Fish (Contractor) shall perform the work for pilot project.	NMDGF, WESTERN GOVERNORS ASSOC	7/14/2010	5/31/2012	\$	\$	NMDGF
The NMDGF, FWS and NRCS share a common objective of protecting and improving wildlife corridors and quality habitat areas throughout the state of New Mexico.	NMDGF, USDI AND FWS AND USDA NRCS	8/4/2010	9/30/2013	\$	\$	NMDGF
To protect and monitor the water quality, water availability, and conservation of water resources in the reservoir.	NMDGF, ISC EMNRD SPD, UTE RESERVOIR	12/22/2010	Ongoing	\$	\$	NMDGF
To utilize water from bear Canyon Reservoir pertaining to New Mexico State Engineer for emergency fire suppression.	NMDGF, FOREST SERVICE AND OSE	6/7/2011	Ongoing	\$	\$	NMDGF
Irrigation of Stortie project lands located within the New Mexico (McAllister) Wildlife Refuge or for storage within MsAllister Lake.	NMDGF, CITY OF LAS VEGAS	6/21/2011	Ongoing	\$	\$	NMDGF
To acquire a perpetual conservation easement for the property located North of Luna, NM in Catron County.	NMDGF, EMNRD	7/27/2011	6/30/2014	\$	997,990	NMDGF
To provide access upon and through certain state trust land to authorized hunters, anglers and trapper for the regulated harvest of protected species.	NMDGF, COMMISSIONER OF PUBLIC LAND	8/1/2011	6/30/2012	\$	\$	NMDGF

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Supplementary Information**

Schedule 3 – Supplemental Schedule of Joint Powers Agreements						
To protect and preserve adverse effects to cultural properties when implementing programs under Chapter 17, NMSA 1978.		NMDGF, NM Historic Preservation	10/11/2011	Ongoing	\$ -	\$ -
To establish a cooperative relationship between Jicarilla G&F and DGF with regards to the importation of fish and cervids.		NMDGF, Jicarilla DGF	4/30/2012	Ongoing	\$ -	\$ -
Exercises common power over the use of the National Resource Center on the State Fair Grounds for enjoyment and education.		NMDGF, NM State Fair	5/17/2012	Ongoing	\$ -	\$ -
An amendment to establish a policy for Statewide Sikes Act Public Land Management Stamp (Habitat Stamp) Program.		USDA, Forest Svc, NMDGF, USD	6/11/2012	Ongoing	\$ -	\$ -
An amendment to allow leverage funding for wildlife conservation in developing wildlife habitat along the middle Rio Grande River corridor.		NMDGF, USDI and USDA NRCS	7/27/2012	Ongoing	\$ -	\$ -
Agreement for the City of Raton to operate a public trash management system using "roll off" containers that have bear proof lids that will be provided by DGF.		NMDGF, City of Raton	8/7/2012	Ongoing	\$ -	\$ -

**NM Department of Game and Fish  
Year Ended June 30, 2012  
Supplementary Information**

**Schedule 4 - Supplemental Schedule of Severance Tax Bond Proceeds**

The following is a list of the Department's severance tax bond proceeds for the Capital Projects Fund 887

Project Name	Project	Chapter	Laws	Section	Expires	Sold	AIPP	Net	Prior years Expended	CY		Reverted	Remaining
										Expended	Expended		
										Total			
Spillway in Grant County Aquatic Education -- San Juan River County	STB09A- 09-3122	154	2009	23/2	6/30/2013	4,250,000	-	4,250,000	-	256,930	256,930	-	3,993,070
GFD San Juan River Habitat Improve & Sig	STB09A 09-3123	125	2009	23/2	6/30/2013	250,000	-	250,000	-	-	-	-	250,000
10 McGaffey Lake Dam Assess	STB08SA 08-3153	92	2008	18/2	6/30/2012	90,118	-	90,118	27,558	-	27,558	62,560	-
10 Laguna Del Campo Dam Assess	STB08SA 08-3154	92	2008	18/2	6/30/2012	90,590	-	90,590	27,586	-	27,586	63,004	-
						430,708	-	180,708	55,144	-	55,144	125,564	-
<b>Total all bonds</b>						<b>4,680,708</b>	<b>-</b>	<b>4,680,708</b>	<b>55,144</b>	<b>256,930</b>	<b>312,074</b>	<b>125,564</b>	<b>4,243,070</b>

## Single Audit

**NM Department of Game and Fish  
Year Ended June 30, 2011  
Single Audit**

**Schedule of Expenditures of Federal Awards**

<u>Federal Agency / Pass-Through Agency</u>	<u>Federal CFDA Number</u>	<u>Federal Participating Expenditures</u>
U.S. Department of Interior:		
U.S. Department of Interior:		
Central Arizona Project Wildlife Conservation Education Center	15.608	\$ 50,748
Hunter Safety Education Section 10	15.625	4,127
Cooperative Endangered Species	15.626	73,058
Wolf Demo Project	15.615	296,257
Bureau of Reclamation Programs	15.650	1,936
BLM Challenge Cost Share	15.517	5,436
State Wildlife Incentive Grants	15.238	51,626
Wildlife Restoration*	15.634	584,652
Sport Fish Restoration*	15.611	5,603,536
	15.605	<u>5,878,380</u>
Total U.S. Department of Interior:		12,549,756
U.S. Department of Agriculture:		
USDA-Cap Chronic Wasting Disease	10.025	<u>44,306</u>
Total U.S. Department of Agriculture:		<u>44,306</u>
<b>Total Federal Expenditures:</b>		<b>\$ <u>12,594,062</u></b>

\*Sport Fish and Wildlife Restoration Cluster tested as a major program.

See Notes to the Schedule of Expenditures of Federal Awards on Page 69.

**NM Department of Game and Fish  
Year Ended June 30, 2011  
Single Audit**

**Schedule of Expenditures of Federal Awards – continued**

**Notes to the Schedule of Expenditures of Federal Awards**

**GENERAL**

The accompanying Supplemental Schedule of Expenditures of Federal Awards presents the activities of all federal awards of the Department.

**BASIS OF ACCOUNTING**

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 2 to the Department's general purpose financial statements.

**NON-CASH ASSISTANCE**

The Department did not receive any federal non-cash assistance during the year ended June 30, 2012.

**SUBRECIPIENTS**

The Department records disbursements to subrecipients on the cash basis of accounting for the purpose of requesting reimbursement from the federal grantor agencies:

<u>Type</u>	<u>CFDA No.</u>	<u>Amount</u>
Boating Access, State Parks Division, New Mexico Energy, Minerals, and Natural Resources Department	15.605	<u>\$ 315,000</u>
Total disbursed to subrecipients		<u>\$ 315,000</u>





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**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**

Members of the Commission  
State of New Mexico  
New Mexico Department of Game and Fish  
Mr. Hector Balderas  
New Mexico State Auditor

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund, and the combining and individual funds and related budgetary comparisons presented as supplementary information of the New Mexico Department of Game and Fish (the Department) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 7, 2012. 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**

Management of the Department is responsible for establishing and maintaining effective 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as finding 12-02, which we consider to be a significant deficiency in internal control over financial reporting. *A significant deficiency* is a deficiency or a

combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

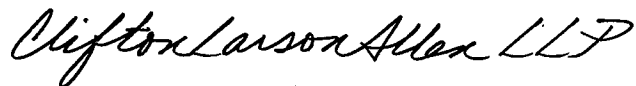
### **Compliance and Other Matters**

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

We noted a certain matter that is required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which is described in the accompanying schedule of findings and questioned costs as finding 12-01.

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 them.

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



Albuquerque, New Mexico  
December 7, 2012



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**Independent Auditor's 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**

To the Members of the Commission of  
State of New Mexico  
Department of Game and Fish and  
Mr. Hector H. Balderas  
New Mexico State Auditor

**Compliance**

We have audited the compliance of the State of New Mexico Department of Game and Fish (the Department) 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, 2012. 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.

In our opinion, the Department complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

**Internal Control over Compliance**

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

*CliftonLarsonAllen LLP*

Albuquerque, New Mexico  
December 7, 2012

STATE OF NEW MEXICO  
DEPARTMENT OF GAME AND FISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012

**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 deficiencies identified that are not considered to be material weakness(es)?  yes  none reported

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

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 programs:

**CFDA**

Number(s)	Name of Federal Program or Cluster
15.605/611	Sport Fish/Wildlife Restoration Cluster

Dollar threshold used to distinguish between type A and type B programs \$377,822

Auditee qualified as low-risk auditee?  yes  no

STATE OF NEW MEXICO  
DEPARTMENT OF GAME AND FISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012

**Section II – Financial Statement Findings**

**Finding 12-01 Payroll Deductions (Control Deficiency)**

**Condition:** During our testwork over the internal controls over payroll transactions, we discovered that for one out of the twenty-two individuals tested, deductions for basic life and disability coverage were elected by the employee but were not being withheld from his paycheck.

**Criteria:** As set forth in the New Mexico Manual of Model Accounting Practices (H.R.1.1, Section F), state agency payroll staff are tasked with receiving general deduction information from employees, validating the received document, and then entering the deductions into SHARE so that payroll transactions appropriately reflect the desired withholdings.

**Cause:** An error was made by Department staff when processing this employee's payroll deductions into SHARE.

**Effect:** The employee was not receiving the coverage he elected through his deduction form, and the appropriate withholdings were not being made.

**Recommendation:** We recommend that a periodic audit be performed by payroll staff at the Department, whereby a random selection of employees is made periodically. For each employee selected, Department staff should compare the deductions on file in personnel records to the actual deductions being taken through SHARE payroll.

**Management's Response:** The Department recognizes that ensuring employee benefits are accurately captured in the system is imperative. The Department has conducted periodic reviews of all personnel files in the past and we will continue to maintain such efforts to guarantee that all employee benefits have been entered properly.

**Finding 12-02 Journal Entry Review (Significant Deficiency)**

**Condition:** It was found during our audit that an incorrect journal entry was made to a cash account in the amount of \$156,427. The intention of the entry was to transfer cash between sub-accounts for various funds. However a credit was made to an accumulated depreciation account instead of the offsetting cash sub-account.

**Criteria:** The New Mexico Manual of Model Accounting Practices (FIN Section 3.5) sets forth the prescribed processes for initiating and approval of journal entries, and this includes a review by an authorized individual at the Department. Such reviews should include an evaluation of the reasonableness and accuracy of the accounts being affected.

**Cause:** In this instance, the review process did not prevent an incorrect journal entry from being made. Because the review process did not initially detect the incorrect entry, it resulted in an audit adjustment to correct the balances.

**STATE OF NEW MEXICO  
DEPARTMENT OF GAME AND FISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012**

**Section II – Financial Statement Findings (continued)**

**Finding 12-02 Journal Entry Review (Significant Deficiency) (continued)**

**Effect:** Cash was understated and the accumulated depreciation account was understated by \$156,427.

**Recommendation:** We recommend that a more thorough review take place for journal entries, whereby the accounts being affected are evaluated for accuracy. A monthly reconciliation of SHARE cash balances will also assist in detecting such errors if internal controls over the journal entry process fail to prevent them.

**Management's Response:** The Department acknowledges that an error was made in the initial entry and the review of the entry did not immediately identify that error. The Department currently has a process in place by which there is a second review of all journal entries, as recommended. In this one instance, the review process did not find the error before posting the journal to the general ledger. The Department will continue to work to thoroughly review all journal entries and identify additional reconciliation processes to assist in finding such errors.

**STATE OF NEW MEXICO  
DEPARTMENT OF GAME AND FISH  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012**

**Section III – Federal Award Findings and Questioned Costs**

There were no federal findings for the year ended June 30, 2012.



**STATE OF NEW MEXICO  
DEPARTMENT OF GAME AND FISH  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
June 30, 2012**

**Section II – Financial Statement Findings**

**Finding 2011-01 Petty Cash Lockbox (Deficiency in Internal Control) – Resolved**

The resolved finding pertained to a control deficiency encountered during a walkthrough of the cash receipts process, where it was noted by the auditor that the petty cash box was not secured in a locked safe.

**Finding 2011-02 Credit Card Charge Error (Deficiency in Internal Control) – Resolved**

The resolved finding pertained to a control deficiency encountered during testwork over the operating effectiveness of internal controls in the cash receipts process. In one out of the thirty-eight samples tested, it was discovered that a customer was charged \$10 more than the price of his license.

**Section III – Federal Award Findings and Questioned Costs**

There were no Federal Award Findings and Questioned Costs for the year ended June 30, 2011.

**STATE OF NEW MEXICO  
DEPARTMENT OF GAME AND FISH  
EXIT CONFERENCE  
June 30, 2012**

An exit conference was held with the Department on December 5, 2012. The conference was held at the Department's offices in Santa Fe, New Mexico. In attendance were:

**STATE OF NEW MEXICO DEPARTMENT OF GAME AND FISH**

Thomas Salopek, Vice-Chairman  
Jim Lane, Director  
Dan Brooks, Deputy Director  
Patrick Block, Assistant Director  
R.J. Kirkpatrick, Assistant Director  
Richard Welborn, Legal Council  
Alexa Sandoval, Chief of Administrative Services Division  
Sonya Quintana, Chief of Human Resources  
Rhonda Holderman, Assistant Chief of Licensing  
Gail Craven, Financial Auditor  
Maggie Jaramillo, Financial Auditor  
Jean Higgins, Federal Assistance Coordinator  
Amy Stout, Federal Grants Budget Analyst

**CLIFTONLARSONALLEN LLP**

Janet Pacheco-Morton, CPA, CGFM, Partner  
Raul Anaya, CPA, CGFM, CFE, Senior Manager  
Ryan Jones, CPA, Senior Associate

**PREPARATION OF FINANCIAL STATEMENTS**

The financial statements presented in this report have been prepared by the Department with guidance from the independent auditor. They are the responsibility of management, as addressed in the Independent Auditors' Report.