

STATE OF NEW MEXICO
ENERGY, MINERALS, AND
NATURAL RESOURCES DEPT.

Financial Statements
for the Year Ended
June 30, 2010,
and Independent
Auditors' Report

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Table of Contents



Official Roster..... 1

Independent Auditors' Report..... 2 – 4

Management's Discussion and Analysis 5 – 19

Financial Statements:

Statement of Net Assets 21

Statement of Activities..... 22

Fund Financial Statements:

Balance Sheet - Governmental Funds 23 – 24

Reconciliation of the Balance Sheet to the Statement
of Net Assets 25

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds 26 – 27

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities..... 28

Statement of Revenues and Expenditures - Major
Governmental Funds - Budget and Actual (Modified Accrual Basis) 29 – 33

Statement of Fiduciary Assets and Liabilities – Agency Funds 34

Notes to the Financial Statements 35 – 74

Supplementary Information:

Statement of Revenues and Expenditures - Major
Governmental Funds - Budget and Actual (Modified Accrual Basis) 76 – 82

Combining Balance Sheet - By Fund Type - Non-Major Governmental Funds 83

Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - By Fund Type - Non-Major Governmental Funds 84 – 85

Combining Balance Sheet - Non-Major Special Revenue Funds 86 – 89

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Non-Major Special Revenue Funds 90 – 93

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Table of Contents - continued

Non-Major Governmental Funds -continued:

Motor Boat Fuel Tax Fund - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	94
Oil Reclamation Fund - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	95
Natural Lands Protection Fund - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	96
Conservation Planting Revolving Fund - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	97
Forest Land Protection Fund - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	98
Petroleum Violation Escrow Funds - Stripper Well - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis).....	99
Petroleum Violation Escrow Funds - Exxon - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis).....	100
Petroleum Violation Escrow Funds - Diamond Shamrock - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	101
Petroleum Violation Escrow Funds - Warner - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	102
Petroleum Violation Escrow Funds - Chevron - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	103
Petroleum Violation Escrow Funds - Second Stage - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	104
Surface Mining Permit Fees Fund - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	105
New Mexico Mining Act Penalty Fund - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	106
Surface Mining Penalty Fund - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	107
New Mexico Mining Act Fund - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	108
Inmate Work Camp Fund - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	109
Energy Efficiency Assessment Revolving Fund - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis).....	110
Youth Conservation Corps - Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis)	111
EMNRD Capital Projects – GF/STB – Statement of Revenues and Expenditures – Budget and Actual (Modified Accrual Basis).....	112

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Table of Contents - continued

Supplemental Schedules:

Schedule 1 - Fiduciary Funds - Agency –
 Schedule of Changes in Assets and Liabilities..... 114 – 116
Schedule 2 - Supplemental Schedule of Bank Accounts 117 – 119
Schedule 3 - Supplemental Schedule of Special (Emergency) Appropriations 120
Schedule 4 - Supplemental Schedule of Severance Tax Bonds 121
Schedule 5 - Joint Powers Agreements 122 – 143

Single Audit:

Schedule of Expenditures of Federal Awards 145 – 147
Notes to Schedule of Expenditures of Federal Awards 148
Report on Compliance and on Internal Control over
 Financial Reporting Based on an Audit of Financial
 Statements Performed in Accordance with *Government Auditing Standards* 149 – 150
Report on Compliance with Requirements That Could Have a
 Direct and Material Effect on Each Major Program
 and Internal Control over Compliance in Accordance
 with *OMB Circular A-133*..... 151 – 153
Schedule of Findings and Questioned Costs..... 154 – 157
Summary Schedule of Prior Year Audit Findings 158
Exit Conference..... 159

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Official Roster

Year Ended June 30, 2010

Office of the Secretary

Title

Jim Noel
Karen Garcia

Cabinet Secretary
Deputy Cabinet Secretary

Division Directors

Kim Keahbone, CPA

Acting Director, Administrative Services
and Chief Financial Officer

Bill Brancard

Acting Director, Mining and Minerals

Mark Fesmire

Acting Director, Oil Conservation

Fernando Martinez

Energy Conservation and Management

Arthur "Butch" Blazer

Forestry Division

Dave Simon

State Parks Division

Joe I. Montano

Information Systems Manager

INDEPENDENT AUDITORS' REPORT

State of New Mexico
Energy, Minerals, and Natural Resources Department 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 and major special revenue funds of the State of New Mexico Energy, Minerals, and Natural Resources Department (the Department), as of and for the year ended June 30, 2010, which collectively comprise the Department's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Department's nonmajor governmental funds, fiduciary funds, and the budgetary comparisons for the major capital projects fund, debt service 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, 2010, as listed in the table of contents. These financial statements are the responsibility of 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.

As discussed in Note 1, the financial statements of the Department are intended to present the financial position and results of operations of only that portion of the financial reporting entity of the State that is attributable to the transactions of the



State of New Mexico
Energy, Minerals, and Natural Resources Department and
Mr. Hector H. Balderas
New Mexico State Auditor

Department. They do not purport to, and do not, present fairly the financial position of the entire State of New Mexico as of June 30, 2010, and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general and special revenue funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Department, as of June 30, 2010, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund and fiduciary funds of the Department as of June 30, 2010, and the respective changes in financial position thereof, and the respective budget comparisons for the major capital projects fund, debt service fund, and all non-major governmental 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 November 30, 2010, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 through 19 is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

State of New Mexico
Energy, Minerals, and Natural Resources Department and
Mr. Hector H. Balderas
New Mexico State Auditor

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 "other supplementary information and supplemental schedule" in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

Meyers + Company, LLC

November 30, 2010

STATE OF NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

Management's Discussion and Analysis

The State of New Mexico Energy, Minerals, and Natural Resources Department's (the Department) discussion and analysis 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 year challenges), identify any material deviations from the financial plan, and identify any fund issues of concern.

The Management's Discussion and Analysis (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.

Financial Highlights

- The Department's governmental net assets decreased by \$856,421 in fiscal year 2010.
- The Department's total revenues increased by \$2,320,319 for fiscal year 2010.
- The total cost of all Department programs was \$69,639,374, a decrease of \$6,417,668 for fiscal year 2010.

Mission

The mission of the Department is to position New Mexico as a leader in energy and natural resource management. To meet this mandate, the Department uses a flexible, team-based management system that is proactive, demands accountability and concentrates on customer service. The system allows the Department to provide leadership in the protection, management, conservation and responsible use of the state's natural resources.

The Department is charged with protecting the environment and ensuring the reclamation of land and resources affected by mining activities, growing and sustaining healthy forests; leading the development of reliable energy supplies and improving the state's parks system while sustaining cultural and natural resources.

Program Highlights

Youth Conservation Corps

The Youth Conservation Corps (YCC) Commission continues to improve relationships with educational institutions, non-profit organizations, local governments, federal and state agencies and our Project Sponsors. By developing strong partnerships, the YCC Commission is confident that YCC is expanding its services and opportunities to the Corps members. This support is important to the success of each project because of the opportunity to leverage funds and, by leveraging funds, expand the projects.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Management's Discussion and Analysis - continued

Program Highlights - continued

Renewable Energy and Energy Efficiency

The Energy Conservation and Management Division (ECMD) continued to aggressively implement clean energy-related policies and statutes established by the Governor and Legislature over the last seven years. Priorities include: (1) stimulating clean energy (renewable energy, energy efficiency and clean fuels) projects and facilities; (2) providing training, outreach and technical assistance to the general public, local and tribal governments, public schools, universities and targeted industries to foster deployment of clean energy technologies and strategies; and (3) coordinating with the General Services Department and other state agencies to ensure that New Mexico state government is leading by example in all aspects of its daily operations, new building construction, and vehicle procurement and utilization. Selected accomplishments include: (1) facilitating the development of over 500 megawatts of new wind power on New Mexico's eastern plains; (2) administering over 90 clean energy projects, totaling over \$11,000,000; (3) providing input for implementing the Efficient Use of Energy Act, resulting in the commitment of over \$20,000,000 per year in utility-provided energy efficiency incentives to the residential and commercial sectors; (4) leveraging private investments of \$2,500,000, federal tax credits of \$580,000 and solar market development tax credits for Department-certified solar systems for \$1,406,000; and (5) implementing the sustainable building tax credit passed by the 2007 New Mexico Legislature for building energy efficient and green buildings in the residential and commercial sectors – the first tax credit in the nation of this breadth and depth. Through these tax incentives, the bar is being raised for energy efficiency in statewide building codes.

Prospectively, ECMD plans to build on the clean energy policy and program foundation now firmly in place by: (1) pursuing additional market-based incentives and other cost-effective measures in statute to continue to stimulate clean energy projects and clean energy-related manufacturing enterprises throughout the state; (2) expanding its "lead by example" outreach to school districts, universities and local governments; (3) moving toward Zero-Energy Home Program focused on ensuring that new homes incorporate cost-effective state-of-the-art energy efficiency measures, with particular attention to the low-income home buyer; and (4) in coordination with the Economic Development Department, facilitating the demonstration and deployment of promising economic development potential throughout the state.

Healthy Forests Program

The Forestry Division's role is to protect New Mexico's forests and watershed health. This mission is largely driven on two fronts: advocate for forest restoration and watershed health and the prevention and suppression of wild land fires. Forest and watershed health efforts require strong partnerships and collaborations between and among local, state, tribal, federal and private entities. The Forestry Division provides the leadership that drives those partnerships and collaborations. The division's newly established Forest and Watershed Health Office, as well as the seven field offices, follow the division's Forest and Watershed Health Plan for establishing and maintaining a collaborative, landscape-scale framework for these efforts.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Management's Discussion and Analysis - continued

Program Highlights - continued

Healthy Forests Program

The 2010 Fire Season was average in terms of number of acres burned and number of fires. This year, the Division had 681 fires that burned approximately 100,371 acres. The Division believes the pre-positioning of additional fire suppression forces helped to keep many fires small and less expensive.

The FY 2011 fire season's predicted weather pattern is below normal significant fire potential across New Mexico during August. However, La Niña conditions continue to develop over the Pacific and will likely intensify into the fall. The onset of La Niña favors increasingly drier and warmer than usual conditions for the transition to fall, with increased potential for the monsoon to end abruptly. Overall temperatures and precipitation will likely be near normal in September, and then shift to warmer and drier than normal conditions for October and November. The potential exists for periods of above normal fire potential to develop throughout the fall. This is most likely to occur in the northwest half of New Mexico for a week or two during October and November.

Mine Reclamation Program

The Mine Reclamation Program continued to make strides in assuring the reclamation and safeguarding of New Mexico's mines. The program is overseeing several large hard rock and coal mine reclamation projects, including the major reclamation of mine tailings at the Phelps Dodge Tyrone Mine. Under a federal grant, the program safeguarded over 160 abandoned mine openings in the past two years. The program has also received awards for its innovative and high quality reclamation work, including most recently the National Award from the Office of Surface Mining for outstanding performance and exemplary abandoned mine land reclamation for the Real de Dolores Mine Safeguard Project south of Santa Fe.

The program is seeing an increase in uranium exploration projects and is taking steps to prepare for a possible return of uranium mining in northwest New Mexico. Specialized uranium mine reclamation training and coordination with tribal, federal and state agencies, along with citizen groups, have been implemented to educate program staff and to increase public trust. The program has initiated efforts to address the legacy of past uranium mining in New Mexico through conducting field investigations, determining remediation steps, and leveraging funding for clean-up with other agencies and tribal governments.

The Mine Reclamation Program has experienced an increased workload due to recent renewed interest in uranium exploration and mining in New Mexico. In January 2006, the Mining and Minerals Division received the first uranium exploration application since 1998. Thirty-seven new uranium mining or exploration applications have been submitted between 2006 and 2010.

The renewed interest in mining has created a push from the public to clean up the legacy of past uranium mining practices. The Mine Reclamation Program is currently collaborating with state, federal and tribal agencies to survey, prioritize and clean up the abandoned uranium sites.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Management's Discussion and Analysis - continued

Program Highlights - continued

State Parks

Formed in 1933 as the New Mexico State Parks Commission, the New Mexico State Parks Division has grown into a 35-park system that includes 19 lakes and nearly 183,000 acres of land. State parks are currently located in 25 of New Mexico's 33 counties and generate over \$400 million annually for New Mexico's economy. The State Park System's newest park – Cerrillos Hills/Galisteo Basin in Santa Fe County – opened in late 2009. The Legislature authorized the establishment of a 36th state park – Pecos Canyon State Park – during the 2009 session. State parks are part of the Executive's plan for sustainable economic development in New Mexico, especially in rural areas.

Over 4.7 million people visited state parks in FY10, which maintained the visitation growth achieved in FY09, during which visitation rose 5 percent. After eight straight years of visitation declines, State Parks has maintained or increased visitation every year from FY05 to FY10. State park visitation definitely was affected by national and state economic conditions, as the public sought out more low-cost, high-value, close-to-home recreation and leisure options. This trend of increased visitation and use of state parks will probably continue into FY11; visitation during calendar year 2010 through the first nine months of the year was already running higher than the same period in calendar year 2009. Self-generated revenues also increased in FY10, and have increased every year from FY05 through FY10. Revenue had been decreasing for the five fiscal years prior to FY05.

Highlights of the State Parks Program during FY10 included: (1) meeting or exceeding all key performance measures; (2) completion of major park improvement projects, including installation of several renewable energy projects and the opening of impressive new visitor centers at Mesilla Valley and Eagle Nest Lake; (3) improvements to the capital equipment maintenance programs and launch of expanded recycling programs; (4) continued progress of the Outdoor Classroom Program, which has now served over 65,000 school children in 54 of New Mexico's 89 school districts in just three years; (5) selection of a New Mexico state park marine enforcement officer as the Western "boating officer of the year."

The strategic direction for State Parks includes efforts to: (1) improve park facilities; (2) increase visitation and self-generated revenue; (3) protect sites important to New Mexico's natural and cultural heritage; (4) improve recreational and trail opportunities statewide, including the construction of the Rio Grande Trail; (5) expand boater education to make boating in New Mexico safer; (6) expand the Outdoor Classroom Program for children; (7) grow the role of State Parks in statewide health and wellness efforts. In addition, the New Mexico State Park System will be on a national stage during FY11, as the Division will host the National Association of State Park Directors annual conference in FY11 (September 7-10, 2010).

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Management's Discussion and Analysis - continued

Program Highlights - continued

Oil and Gas Conservation Program

The Oil Conservation Division continues to concentrate on the enforcement of its rules to prevent environmental contamination from oil and gas operations and to enhance those rules in order to ensure that it provides clear guidance on practices to protect human health and the environment.

In FY09 the division successfully reorganized its rules so that all information related to an activity is in one section. The division also worked on carbon sequestration initiatives, continuing efforts to divert water produced in oil and gas operations from disposal and continued coordination of activities related to requests to drill in the Galisteo Basin and in other areas of the state. There have been several recent instances where the division's enforcement actions have been upheld in court. In September, 2008, the Supreme Court of New Mexico denied a petition which effectively affirmed the division's Surface Waste Management Rule. Also in September, a request to keep an OCD compliance case against a well operator from proceeding was denied by the First Judicial District Court. The division continues to refine its rules and consistently enforce them.

Program Support

The Leadership and Support Program continues to concentrate on improving efficiency and cost effectiveness of agency systems and projects through standardized processes for acquisition, development, maintenance and support of information technology resources.

The Leadership and Support Program is also working with the Divisions to expand the geospatial services offered within the agency. In particular, we are making greater use of mobile mapping technologies such as GIS maps combined with GPS positioning for data collection and field verification, as well as moving towards a more services-oriented structure for applications such as web maps used for staff and public use. In addition, we are collectively working to improve and expand the information available via the Internet by providing enhanced web based services at a lower cost while accelerating shared business processes, and facilitating information-sharing for better business insight.

Using This Annual Report

The focus of this report is on both the Department (government-wide) and the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison and enhance accountability. Although the Department is one of several agencies within the State of New Mexico Government, the primary Government focus in this financial report is the Department and not the State of New Mexico as a whole.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Management's Discussion and Analysis - continued

Management's Discussion and Analysis

MD&A should provide an objective and easily readable analysis of the Department's financial activities based on currently known facts, decisions or conditions. It should provide an analysis of the Department'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.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Department's basic financial statements. The Department's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) budgetary comparisons, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements consist of a statement of net assets and a statement of activities. These statements should report all of the assets, liabilities, revenues, expenses, and gains and losses of the government. Fiduciary activities whose resources are not available to finance the government's programs are excluded from the government-wide statements. Most of the Department's basic services are included in the governmental activities. State appropriations and federal grants finance most of these activities. The funds included in Governmental Activities for the Department are the General Operating Fund, Special Revenue Funds, Debt Service Fund and Capital Project Funds.

GASB #34 requires that infrastructure assets (roads, bridges, traffic signals, etc.) be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either depreciate these assets over their estimated useful life or develop a system of asset management designed to maintain the service delivery potential. The Department does not own a material interest in any infrastructure assets and, therefore, is not required to implement this portion of GASB #34.

Fund Financial Statements. Fund financial statements consist of a series of statements that focus on information about the major governmental and enterprise funds. Fund financial statements also report information about a government's fiduciary funds. Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The Department has two types of funds: governmental funds and agency funds.

Governmental Funds

Most of the Department's services are included in governmental funds which focus on: (1) how cash and other financial assets that can be readily converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view and help the

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Management's Discussion and Analysis - continued

Overview of the Financial Statements - continued

Governmental Funds

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.

Agency Funds

The agency funds are used to report assets held in 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 #34, agency funds are not included with the governmental-type funds since these funds are not available to support the Department's programs. The Department's agency funds are the Parks and Recreation Division Boat Fund, Gross Receipts Tax Suspense Fund, Oil Disposition Holding Fund and Renewable Energy Transmission Authority Fund.

Budgetary Comparisons

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

As required by the Office of the State Auditor under 2 NMAC 2.2, the Statements of Revenues and Expenditures – Budget and Actual are also presented. This information is provided at the approved budget level to demonstrate compliance with legal requirements.

The budget to actual statement reflected a significant difference between budgeted federal revenues and actual revenues, as well as budgeted expenditures and actual expenditures. The primary cause for both of these differences is related to multi-year federal grants and the related contractual obligations against these grants. The budgeted federal revenues and expenditures (both in the Contractual and Other Costs categories) are higher based on encumbering the entire amount of these multi-year federal contracts. Because the full amounts of these multi-year contracts are encumbered, there is a related increase in the budgeted revenues and budgeted expenditures. The actual federal revenues and expenditures only include expended funds for this fiscal year and are therefore significantly lower than budgeted amounts. This difference does not indicate a significant shortfall in budgeted revenues or expenditures, but is instead related to the process of fully encumbering multi-year federal grant commitments.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Management's Discussion and Analysis - continued

Notes to the Financial Statements

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

Required Supplementary Information (Other than MD&A)

In addition to the basic statements and accompanying notes, this report also presents certain required supplementary information.

Financial Analysis of the Department as a Whole

Net Assets

Table A-1 summarizes the Department's net assets for the fiscal year ended June 30, 2010. Total Department net assets for fiscal year 2010 were \$79,147,797. Unrestricted net assets in Governmental Activities were \$16,754,788 at the end of the fiscal year. Restricted net assets including capital projects, debt service and special appropriations were \$7,742,371. The balance of \$54,650,638 in net assets represent those invested in capital assets, net of related debt (buildings, equipment, etc.). It should also be noted for comparison purposes the amounts for fiscal year 2009 were restated to include revenue not properly recognized.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Management's Discussion and Analysis - continued

Financial Analysis of the Department as a Whole - continued

Net Assets - continued

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

	<u>FY 2010</u>	<u>FY 2009</u> (Restated)	<u>Variance</u>
Assets:			
Current and Other Assets	\$ 39,562,132	46,278,259	(6,716,127)
Capital and Non-Current Assets	<u>72,402,607</u>	<u>71,468,653</u>	<u>933,954</u>
Total Assets	111,964,739	117,746,912	(5,782,173)
Liabilities:			
Current Liabilities	15,797,854	20,064,758	(4,266,904)
Long Term Obligations	<u>17,019,088</u>	<u>17,677,936</u>	<u>(658,848)</u>
Total Liabilities	32,816,942	37,742,694	(4,925,752)
Net Assets:			
Invested in Capital Assets, net of Related Debt	54,650,638	53,045,255	1,605,383
Restricted	7,742,371	9,290,853	(1,548,482)
Unrestricted	<u>16,754,788</u>	<u>17,668,110</u>	<u>(913,322)</u>
Total Net Assets	\$ <u>79,147,797</u>	<u>80,004,218</u>	<u>(856,421)</u>

The Department's net assets decreased \$856,421 over the course of this fiscal year's operations. The following financial information is a comparison of net assets for 2010 and 2009.

The total assets consist of cash and cash equivalents, investment in the State Treasurer's General Fund Investment Pool, receivables from the federal government for grants, receivables from other state agencies, amount due from fiduciary fund, other receivables and capital assets (net of accumulated depreciation). Total liabilities consist of accrued interest payable, accounts payable, amounts due to fiduciary funds, accrued salaries and employee benefits payable, amounts due to the state's general fund and other agencies and the current amount of other obligations and compensated absences payable. Net assets are comprised of investment in capital assets, restricted and unrestricted amounts. In 2010, the amount that was restricted was used to illustrate reserved amounts in the fund financial statements as stated above.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Management's Discussion and Analysis - continued

Financial Analysis of the Department as a Whole - continued

Net Assets - continued

The variances consist of:

- **Total assets** – The variance of current and other assets is due to the fact that cash, cash equivalents and investment in the State Treasurer's General Fund Investment Pool decreased by \$9,537,939 from fiscal year 2009. This is due in part to a decrease of deferred revenue of \$2.3 million. Also there was an increase in net receivables of \$2,504,341 from fiscal year 2009. Net capital assets increased from the fiscal year 2009 stated amount by \$933,954 partly due to including projects in process.
- **Total liabilities** – In current liabilities, a major factor contributing to the variance was a decrease in the amount of Due to State General Fund and Deferred Revenue, which decreased by approximately \$2.3 million dollars and \$2.3 million dollars, respectively. Other liabilities, such as accounts payable, increased from FY09.
- **Total net assets** – The net assets for the Department decreased from 2009 by \$856,421. The Department's total revenue increased by approximately 3% from \$66,462,634 to \$68,782,953. The Department's total expenses decreased by approximately 8% from \$76,057,042 to \$69,639,374. Total net assets decreased by approximately 1% from \$80 million to \$79 million.

Changes in Net Assets

The Department's change in net assets for fiscal year 2010 was a decrease of \$856,421 (Table A-2). A significant portion, forty-three percent (43%), of the Department's revenue comes from State General Fund Appropriations. Thirty-four percent (34%) comes from federal grant funds, eleven percent (11%) comes from gross receipts tax and seven percent (7%) comes from charges for services.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Management's Discussion and Analysis - continued

Financial Analysis of the Department as a Whole - continued

Changes in Net Assets - continued

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

	<u>FY 2010</u>	<u>FY 2009</u>	<u>Variance</u>
Revenue:			
Program Revenues:			
Charges for Services	\$ 5,112,552	5,702,790	(590,238)
Operating Grants and Contributions	23,379,446	20,010,426	3,369,020
General Revenues:			
Appropriations, net of reversions	29,229,661	26,451,774	2,777,887
Interest	28,109	104,975	(76,866)
Gross Receipts Tax	7,295,223	6,596,357	698,866
Bond Proceeds – Severance Tax	3,123,419	3,743,201	(619,782)
Bond Forfeitures and Severance Tax	1,907,699	2,576,015	(668,316)
Gasoline Tax	193,983	175,014	18,969
Other	<u>(1,487,139)</u>	<u>1,102,082</u>	<u>(2,589,221)</u>
Total Revenue	68,782,953	66,462,634	2,320,319
Expenses:			
Natural Resources and Recreation	<u>69,639,374</u>	<u>76,057,042</u>	<u>(6,417,668)</u>
Decrease in Net Assets	(856,421)	(9,594,408)	8,737,987
Net Assets, beginning of year	<u>80,004,218</u>	<u>89,598,626</u>	<u>(9,594,408)</u>
Net Assets, end of year	\$ <u>79,147,797</u>	<u>80,004,218</u>	<u>(856,421)</u>

Total Revenues: Revenue received is comprised mostly of appropriations from the state's general fund, but also includes federal grant funds, gross receipts tax, bond proceeds, severance tax, interest, gasoline tax and other miscellaneous revenue. Also included in revenue are charges for services of \$5,112,552, which include park admissions, overnight camping, concessionaire income, license and permit sales, and land and shelter rentals.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Management's Discussion and Analysis - continued

Financial Analysis Of The Department As A Whole - continued

Changes in Net Assets - continued

Total Expenses: The expenses consist of Personal Services and Benefits. Due to the nature of the Department's activities in the areas of mining, oil production, etc., the Department is staffed with a high volume of technical positions and engineers. In addition, expenditures also include the cost of salaries, overtime and other costs associated with fire suppression activities.

Another area of expenditures within the Department is the category of Contractual Services, which includes costs associated with fire suppression activities. In addition, this category is used to flow federal grant funds through to local communities within the state.

Significant expenditures within the Department were in the category of Other Costs. This category pays for operational expenses of the Department including utilities, postage and rent of equipment, which are a major portion of the Department costs with 35 field offices statewide. The majority of expenditures within this category are the costs associated with forest protection and safeguarding activities, abandoned mine reclamation, and oil and gas well reclamation projects, as well as Joint Powers Agreements for construction of outdoor recreational trails projects and conservation projects under the YCC program.

Governmental Activities by Program

The Department has multiple and varied programs that our resources fund. The divisions within our Department include the energy conservation and management division, the forestry division, the mine reclamation division, the oil and gas conservation division, the state parks division, youth conservation corps, multiple capital projects and the program support division. The table below shows the expenses by division/program and the percentage of all expenses which was taken from the fund financial statements. The difference in this amount and the amount shown in the statement of activities is approximately \$6.3 million, which is mainly comprised of adjustments made for depreciation, capital outlay, compensated absences and debt service.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Management's Discussion and Analysis - continued

Governmental Activities by Program - continued

<u>Program</u>	<u>Expenses</u>	<u>Percentage Spent by Program</u>
Renewable Energy & Energy Efficiency	\$ 5,208,623	8.22%
Forestry & Fire Disasters	16,252,049	25.64%
Mine Reclamation	4,502,279	7.10%
Oil and Gas Conservation	7,529,804	11.88%
State Parks	22,733,595	35.87%
Program Support	4,204,483	6.63%
Youth Conservation Corps	<u>2,950,572</u>	<u>4.66%</u>
	\$ <u>63,381,405</u>	<u>100.00%</u>

Fund Balance

As the Department completed the year, its governmental funds reported a combined fund balance of \$26,446,279, which is \$2,739,639 lower than last year. There was a significant deficiency of revenues under expenditures, but this deficiency decreased from FY09 by approximately \$13.2 million dollars.

The ending fund balance of \$26.4 million is comprised of amounts reserved and unreserved. The reserved fund balance is broken down by \$2.8 million reserved for capital projects, \$4.5 million reserved for debt service and \$499,000 reserved for special monies. Of the unreserved fund balance, \$18.6 million is categorized in the special revenue funds.

The general fund is the chief operating fund for the Department. It accounts for revenue and expenses not designated for specific purposes in all the program areas except Parks. The Parks fund is non-reverting, while the General fund reverts all unreserved fund balance.

The total fund balance of the Department's general fund decreased by \$97,300 during the current fiscal year.

Besides the general fund, the other major funds were the Emergency Fire Disaster fund, Abandoned Mine Reclamation, State Parks, ARRA, Debt Service and the EMNRD Capital Projects GGRT Fund. Changes in these fund balances from FY09 are as follows:

- The Emergency Fire Disaster fund increased by \$3,278,999.
- The Abandoned Mine fund increased by \$6,650.
- The State Parks fund decreased by \$721,025.
- The ARRA fund had no change.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Management's Discussion and Analysis - continued

Fund Balance - continued

- The Debt Service fund increased by \$1,152,738.
- The Capital Projects GGRT fund decreased by \$183,352.

General Fund Budgetary Highlights

The New Mexico State Legislature makes annual appropriations to the Department. Amendments to the appropriated budget require approval by the Budget Division of the Department of Finance and Administration with review by the Legislative Finance Committee.

Over the course of the year, the Department adjusts its budget as authorized in the Appropriations Act. The budget adjustments fall into four categories:

- Supplemental and special appropriations that are reflected in the actual beginning account balances (correcting the estimated amounts in the budget adopted for the fiscal year).
- Capital Improvement Project appropriations that are budgeted during the year based on legislative appropriations.
- Budget adjustment requests made during the fiscal year to allow the Department to utilize funds where needed.
- Budget adjustment requests that increase or decrease other state funds based on actual revenues.

The Department expended \$30,000 of the special appropriations carried over from prior years in FY 2010.

The Department received several capital project appropriations for FY 2010.

The Governor issued seven executive orders for FY 2010 for emergency fire suppression activities in the amount of \$8,250,000.

Capital Assets and Debt Administration

At the end of fiscal year 2010, the Department has invested a total of \$137,035,324 in governmental-type activities in a variety of capital assets (fixed assets). This amount represents a net increase (including additions and deductions, excluding depreciations) of \$5,794,489, which is approximately 4% over last fiscal year. The major increases in capital assets during the fiscal year were in the areas of machinery and equipment, projects in process and data processing equipment. The State Parks Division funds numerous capital projects annually to include various boat ramp extensions, visitor center remodeling, statewide water and wastewater improvements, statewide shelter/picnic table replacements, campground facilities construction and enhancement, and repairs to historic administration buildings and walkways. This is due in part to a concerted effort by the State Parks Division to maintain facilities in a manner that will attract both in-state and out-of-state visitors.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Management's Discussion and Analysis - continued

Capital Assets and Debt Administration - continued

**Table A-3
Department's Capital Assets
(Dollars in Millions)**

	<u>FY 2010</u>	<u>FY 2009</u>	<u>Amount Change</u>	<u>Total % Change</u>
Land	11.9	11.9	-	0%
Land Improvements	25.0	24.1	.9	3.56%
Buildings and Improvements	70.2	67.9	2.3	3.39%
Equipment and Machinery	13.4	11.9	1.5	12.89%
Furniture and Fixtures	.5	.5	-	0%
Vehicles and Automotive	8.5	8.5	-	0%
Data Processing Equipment	3.3	3.2	.1	5.80%
Museum Acquisitions	.6	.6	-	0%
Projects in process	<u>3.6</u>	<u>2.6</u>	<u>1</u>	<u>3.59%</u>
	<u>137.0</u>	<u>131.2</u>	<u>5.8</u>	<u>4.42%</u>

The Department has many capital projects in process, several which are tentatively scheduled for completion next fiscal year. More detailed information about the Department's capital assets is presented in Note 4 to the financial statements. Accumulated depreciation for these capital assets is calculated at \$64,632,717.

GASB #34 requires the recording and depreciation of infrastructure assets such as roads, bridges, traffic signals, etc. The Department does not own a material interest in any infrastructure assets.

Long Term Debt

The Department's long-term debt includes nine outstanding bond issues and a federal loan entered into by the State Parks Department. At the end of FY 2010, the amount outstanding on these obligations was \$17.8 million. Detailed information about the Department's long-term debt is presented in Note 6 to the financial statements.

Contacting The Department's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, legislators and investors and creditors with a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact:

New Mexico Energy, Minerals and Natural Resources Department
Financial Services Bureau
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

FINANCIAL STATEMENTS

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Statement of Net Assets

AS OF JUNE 30, 2010

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 3,108,248
Investment in State Treasurer General Fund Investment Pool	22,164,664
Receivables:	
Federal government	10,694,566
Due from fiduciary fund	94,648
Due from other state agencies	2,997,549
Other receivables	184,986
Prepaid expenses	<u>317,471</u>
TOTAL CURRENT ASSETS	39,562,132
NON-CURRENT ASSETS:	
Capital assets	137,035,324
Less: accumulated depreciation	<u>(64,632,717)</u>
TOTAL NON-CURRENT ASSETS	<u>72,402,607</u>
TOTAL ASSETS	\$ <u>111,964,739</u>
LIABILITIES:	
Accounts payable	\$ 8,660,043
Accrued interest payable	152,335
Due to fiduciary fund	51,276
Due to State General Fund	1,473,709
Due to other state agencies	1,177,795
Deferred revenue	-
Accrued payroll	1,753,029
Current portion of compensated absences payable	850,775
Current portion of long-term obligations	<u>1,678,892</u>
TOTAL CURRENT LIABILITIES	15,797,854
Long-term obligations:	
Non-current compensated absences	946,011
Non-current portion of long-term obligations	<u>16,073,077</u>
TOTAL LIABILITIES	32,816,942
NET ASSETS:	
Invested in capital assets, net of any related debt	54,650,638
Restricted for:	
Capital projects	2,784,633
Debt services	4,458,414
Special monies	499,324
Unrestricted	<u>16,754,788</u>
TOTAL NET ASSETS	<u>79,147,797</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>111,964,739</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Statement of Activities

YEAR ENDED JUNE 30, 2010

	<u>Governmental Activities</u>
EXPENSES:	
Renewal Energy Program	\$ 5,208,623
Healthy Forests Program	10,230,534
State Parks Program	22,733,595
Mine Reclamation Program	4,502,279
Oil & Gas Conservation Program	7,529,804
Program Support	9,646,869
Conservation	2,950,572
Fire disasters	6,021,515
Interest	790,418
Other	<u>25,165</u>
TOTAL EXPENSES	69,639,374
PROGRAM REVENUE:	
Charges for services	5,112,552
Operating grants and contributions	23,379,446
Capital grants and contributions	<u>-</u>
NET PROGRAM REVENUE (EXPENSE)	(41,147,376)
GENERAL REVENUES AND TRANSFERS:	
Appropriations (net of reversions)	29,229,661
Interest	28,109
Gross receipts tax	7,295,223
Gasoline tax	193,983
Bond foreitures and severance tax	1,907,699
Bond proceeds - severance tax	3,123,419
Inter-agency transfers	(4,267,361)
Gain on sale of equipment	34,302
Other revenue	<u>2,745,920</u>
TOTAL GENERAL REVENUES AND TRANSFERS	<u>40,290,955</u>
CHANGE IN NET ASSETS	(856,421)
NET ASSETS, BEGINNING	<u>80,004,218</u>
NET ASSETS, END OF FISCAL YEAR	\$ <u>79,147,797</u>

AS OF JUNE 30, 2010

	Major Funds			
	General Fund 19900	Emergency Fire Disaster Fund 21300	Abandoned Mine Reclamation Fund 65600	State Parks Fund 20010
ASSETS:				
Cash and cash equivalents	\$ 3,599	-	-	66,292
Investment in State Treasurer General Fund Investment Pool	-	2,912,244	4,681,694	4,379,930
Receivables:				
Federal government	4,570,613	1,732,930	-	2,281,269
Due from other funds	70,950	1,632,379	-	29,496
Due from fiduciary fund	-	-	-	94,648
Due from other state agencies	499,324	750,000	690	430,184
Other receivables	5,087	-	-	147,435
Prepaid expenses	17,471	-	-	-
TOTAL ASSETS	\$ 5,167,044	7,027,553	4,682,384	7,429,254
LIABILITIES:				
Accounts payable	\$ 1,176,567	1,665,220	-	1,161,877
Due to other funds	1,300,643	101,517	-	384,914
Due to Fiduciary Fund	257	-	-	50,913
Due to State General Fund	827,921	-	-	634,260
Due to other state agencies	569,308	30,044	-	-
Deferred revenue	-	-	-	-
Accrued payroll	793,024	171,216	-	719,866
TOTAL LIABILITIES	4,667,720	1,967,997	-	2,951,830
FUND BALANCES:				
Reserve for encumbrances	-	-	-	-
Reserve for capital projects	-	-	-	-
Reserve for debt service	-	-	-	-
Reserve for Special Monies	499,324	-	-	-
Unreserved-undesignated (deficit):	-	-	-	-
General	-	-	-	-
Special revenue	-	5,059,556	4,682,384	4,477,424
TOTAL FUND BALANCES	499,324	5,059,556	4,682,384	4,477,424
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,167,044	7,027,553	4,682,384	7,429,254

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Balance Sheet - Governmental Funds

<u>ARRA Fund 89000</u>	<u>Debt Service Fund 30000</u>	<u>EMNRD Capital Projects GGRT Fund 64600</u>	<u>Other Governmental Funds</u>	<u>Total Governmental</u>
-	3,038,357	-	-	3,108,248
-	1,420,057	2,539,147	6,231,592	22,164,664
2,109,754	-	-	-	10,694,566
-	-	100,000	415,931	2,248,756
-	-	-	-	94,648
-	-	352,020	965,331	2,997,549
-	-	-	32,464	184,986
<u>-</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>317,471</u>
<u>2,109,754</u>	<u>4,758,414</u>	<u>2,991,167</u>	<u>7,645,318</u>	<u>41,810,888</u>
1,478,210	300,000	368,602	2,509,567	8,660,043
16,961	-	-	444,721	2,248,756
-	-	-	106	51,276
-	-	-	11,528	1,473,709
578,443	-	-	-	1,177,795
-	-	-	-	-
<u>36,140</u>	<u>-</u>	<u>-</u>	<u>32,783</u>	<u>1,753,029</u>
<u>2,109,754</u>	<u>300,000</u>	<u>368,602</u>	<u>2,998,705</u>	<u>15,364,608</u>
-	-	-	108,083	108,083
-	-	2,622,565	162,068	2,784,633
-	4,458,414	-	-	4,458,414
-	-	-	-	499,324
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,376,462</u>	<u>18,595,826</u>
<u>-</u>	<u>4,458,414</u>	<u>2,622,565</u>	<u>4,646,613</u>	<u>26,446,280</u>
<u>2,109,754</u>	<u>4,758,414</u>	<u>2,991,167</u>	<u>7,645,318</u>	<u>41,810,888</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Reconciliation of the Balance Sheet to the
Statement of Net Assets**

YEAR ENDED JUNE 30, 2010

**Total Fund Balance - Governmental Funds
(Governmental Fund Balance Sheet)**

\$ 26,446,280

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

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

The cost of capital assets is	137,035,324
Accumulated depreciation is	<u>(64,632,717)</u>
Total capital assets	72,402,607

Long-term and certain other liabilities, including bonds payable, 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:

Loan and bonds payable	(17,751,969)
Accrued interest payable	(152,335)
Compensated absences payable	<u>(1,796,786)</u>
Total long-term and other liabilities	<u>(19,701,090)</u>

Net assets of governmental activities (Statement of Net Assets)

\$ 79,147,797

YEAR ENDED JUNE 30, 2010

	Major Funds			
	General Fund 19900	Emergency Fire Disaster Fund 21300	Abandoned Mine Reclamation Fund 65600	State Parks Fund 20010
REVENUES:				
Boating fees	\$ -	-	-	543,523
Interest	-	-	6,650	-
Park admissions	29,578	-	-	1,386,722
Lease and rental income	975	-	-	2,739,481
Federal funds	11,541,228	1,906,563	-	2,868,622
Concession income	-	-	-	412,273
Gross receipts tax	-	-	-	-
Gasoline tax	-	-	-	-
Other	20,914	25,581	-	998,264
TOTAL REVENUES	<u>11,592,695</u>	<u>1,932,144</u>	<u>6,650</u>	<u>8,948,885</u>
EXPENDITURES:				
Current:				
Renewable Energy Program	1,346,673	-	-	-
Healthy Forests Program	9,440,315	-	-	-
State Parks Program	-	-	-	18,993,468
Mine Reclamation Program	3,729,400	-	-	-
Oil & Gas Conservation Program	4,527,027	-	-	-
Program Support	4,204,483	-	-	-
Conservation	-	-	-	-
Fire disasters	-	6,021,515	-	-
Capital outlay	327,970	-	-	1,623,433
Debt service-principal	-	-	-	9,181
Debt service-interest	-	-	-	60,291
Debt service-miscellaneous	-	-	-	-
TOTAL EXPENDITURES	<u>23,575,868</u>	<u>6,021,515</u>	<u>-</u>	<u>20,686,373</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,983,173)	(4,089,371)	6,650	(11,737,488)
OTHER FINANCING SOURCES (USES):				
State general fund appropriation:				
Regular	13,475,600	-	-	11,375,200
Special	-	-	-	-
Governor's Executive Orders	-	8,250,000	-	-
Bond forfeitures and severance tax	-	-	-	-
Bond proceeds - severance tax	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	59,624
Transfers in	386,483	-	-	350,202
Transfers out	(1,147,838)	(126,479)	-	(134,303)
Reversions - FY10	(828,372)	(755,151)	-	(634,260)
NET OTHER FINANCING SOURCES (USES)	<u>11,885,873</u>	<u>7,368,370</u>	<u>-</u>	<u>11,016,463</u>
NET CHANGE IN FUND BALANCES	(97,300)	3,278,999	6,650	(721,025)
FUND BALANCES, June 30, 2009	596,624	1,780,557	4,675,734	5,583,301
RESTATEMENT	-	-	-	(384,852)
FUND BALANCES, June 30, 2009 (restated)	<u>596,624</u>	<u>1,780,557</u>	<u>4,675,734</u>	<u>5,198,449</u>
FUND BALANCES, June 30, 2010	<u>\$ 499,324</u>	<u>5,059,556</u>	<u>4,682,384</u>	<u>4,477,424</u>

STATE OF NEW MEXICO ENERGY, MINERALS
AND NATURAL RESOURCES DEPARTMENT

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

ARRA Fund 89000	Debt Service Fund 30000	EMNRD Capital Projects GGRT Fund 64600	Other Governmental Funds	Total Governmental
-	-	-	-	543,523
-	21,444	-	15	28,109
-	-	-	-	1,416,300
-	-	-	-	2,740,456
7,063,033	-	-	-	23,379,446
-	-	-	-	412,273
-	-	4,221,236	3,073,987	7,295,223
-	-	-	193,983	193,983
-	-	-	1,701,163	2,745,922
<u>7,063,033</u>	<u>21,444</u>	<u>4,221,236</u>	<u>4,969,148</u>	<u>38,755,235</u>
3,861,950	-	-	-	5,208,623
405,657	-	-	384,562	10,230,534
-	-	638,604	3,101,523	22,733,595
-	-	-	772,879	4,502,279
-	-	-	3,002,777	7,529,804
-	-	-	-	4,204,483
-	-	-	2,950,572	2,950,572
-	-	-	-	6,021,515
-	-	1,460,984	3,237,678	6,650,065
-	1,504,895	-	-	1,514,076
-	759,559	-	-	819,850
-	25,167	-	-	25,167
<u>4,267,607</u>	<u>2,289,621</u>	<u>2,099,588</u>	<u>13,449,991</u>	<u>72,390,563</u>
2,795,426	(2,268,177)	2,121,648	(8,480,843)	(33,635,328)
-	-	-	-	24,850,800
-	-	-	-	-
-	-	-	-	8,250,000
-	-	-	1,907,699	1,907,699
-	-	-	3,123,419	3,123,419
-	842,647	-	-	842,647
-	-	-	-	59,624
-	2,578,268	-	-	3,314,953
(2,795,426)	-	(2,305,000)	(1,073,268)	(7,582,314)
-	-	-	(1,653,356)	(3,871,139)
<u>(2,795,426)</u>	<u>3,420,915</u>	<u>(2,305,000)</u>	<u>2,304,494</u>	<u>30,895,689</u>
-	1,152,738	(183,352)	(6,176,349)	(2,739,639)
-	3,305,676	2,805,917	10,438,110	29,185,919
-	-	-	384,852	-
-	3,305,676	2,805,917	10,822,962	29,185,919
-	4,458,414	2,622,565	4,646,613	26,446,280

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

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

YEAR ENDED JUNE 30, 2010

Net Changes in Fund Balances - Total Governmental Funds

(Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ (2,739,639)

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

In the Statement of Activities, certain operating expenses - compensated absences (sick and annual leave) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The decrease in the liabilities for the fiscal year was: 248,403

Repayment of bond and note principal is an expenditure in the Governmental Funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities. Bond and note payments during the current fiscal year were: 1,514,076

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrued, regardless of when it is due. The additional interest reported in the Statement of Activities is the net result of two factors: accrued interest on bonds and notes payable. The decrease in the liability for the fiscal year was: 29,432

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

Total additions (Note 4)	7,290,966	
Reclassification of projects in process	(640,901)	
Capital outlay		6,650,065
Depreciation expense		(5,690,789)

Excess of capital outlay over depreciation expense 959,276

The Statement of Activities reports the gain on the sale of equipment, while the Statement of Revenues, Expenditures and Changes in Fund Balance reports the proceeds. The reconciling amount is the difference: (25,322)

The issuance of long-term debt provides and uses current financial resources in the governmental funds, but the issuance increases long-term liabilities and the related deferred items in the Statement of Net Assets.

Issuance of notes		(842,647)
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Change in net assets of governmental activities (Statement of Activities) \$ (856,421)

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

		GENERAL FUND - TOTAL			
		Budgeted Amounts		Actual	Variance From
		Original	Final	Amounts	Final Budget
				(Budgetary Basis)	Positive (Negative)
REVENUES:					
State General Fund appropriation:					
Regular	\$	13,475,600	13,475,600	13,475,600	-
Special		-	-	-	-
Bond proceeds		-	-	-	-
Other state funds		729,700	729,700	51,467	(678,233)
Federal funds		19,839,200	19,897,500	11,541,228	(8,356,272)
Other financing sources		342,300	812,300	386,483	(425,817)
Fund balance rebudgeted		30,000	30,000	-	(30,000)
TOTAL REVENUES	\$	34,416,800	34,945,100	25,454,778	(9,490,322)
EXPENDITURES:					
Personal services and benefits	\$	16,152,000	16,617,000	14,867,630	1,749,370
Contractual services		6,689,400	6,758,700	2,695,811	4,062,889
Other costs		9,845,400	9,839,400	5,961,067	3,878,333
Other financing sources uses		1,730,000	1,730,000	1,147,838	582,162
TOTAL EXPENDITURES	\$	34,416,800	34,945,100	24,672,346	10,272,754
NON-BUDGETED ITEMS:					
Reversions				(828,372)	
Timing difference related to accounts payable				(51,360)	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES				\$ (97,300)	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis) - continued**

YEAR ENDED JUNE 30, 2010

EMERGENCY FIRE DISASTER FUND				
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
REVENUES:				
State General Fund appropriation:				
Executive orders	\$ -	8,250,000	8,250,000	-
Federal funds	-	-	1,906,563	1,906,563
Other	-	-	25,581	25,581
Cash balance rebudgeted	<u>2,369,012</u>	<u>2,369,012</u>	<u>-</u>	<u>(2,369,012)</u>
TOTAL REVENUES	\$ <u>2,369,012</u>	<u>10,619,012</u>	10,182,144	<u>(436,868)</u>
EXPENDITURES:				
Personal services and benefits	\$ 57,691	907,691	843,688	64,003
Contractual Services	-	-	-	-
Other costs	2,244,684	9,494,684	3,902,686	5,591,998
Other financing uses	<u>66,637</u>	<u>216,637</u>	<u>126,479</u>	<u>90,158</u>
TOTAL EXPENDITURES	\$ <u>2,369,012</u>	<u>10,619,012</u>	4,872,853	<u>5,746,159</u>
NON-BUDGETED ITEMS:				
Reversions			(755,151)	
Timing difference related to accounts payable			<u>(1,275,141)</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>3,278,999</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis) - continued**

YEAR ENDED JUNE 30, 2010

		ABANDONED MINE RECLAMATION			
		Budgeted Amounts		Actual Amounts	Variance From Final Budget
		Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES:					
State General Fund appropriation:					
Regular	\$	-	-	-	-
Special		-	-	-	-
Other state funds		-	-	-	-
Federal funds		-	-	-	-
Interest Income				6,650	6,650
Other financing sources		-	-	-	-
Cash balance rebudgeted		-	-	-	-
TOTAL REVENUES	\$	-	-	6,650	6,650
EXPENDITURES:					
Personal services and benefits	\$	-	-	-	-
Contractual Services		-	-	-	-
Other costs		-	-	-	-
Other financing uses		-	-	-	-
TOTAL EXPENDITURES	\$	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES				\$	6,650

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis) - continued**

YEAR ENDED JUNE 30, 2010

	STATE PARKS			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
REVENUES:				
State General Fund appropriation:				
Regular	\$ 11,375,200	11,375,200	11,375,200	-
Special	-	-	-	-
Motor vehicle excise tax	650,000	650,000	543,523	(106,477)
Other state funds	4,710,200	4,710,200	5,536,740	826,540
Federal funds	8,079,000	8,079,000	2,868,622	(5,210,378)
Other financing sources	315,000	315,000	409,826	94,826
Cash balance rebudgeted	<u>3,798,000</u>	<u>3,798,000</u>	-	<u>(3,798,000)</u>
TOTAL REVENUES	\$ <u>28,927,400</u>	<u>28,927,400</u>	20,733,911	<u>(8,193,489)</u>
EXPENDITURES:				
Personal services and benefits	\$ 14,253,200	14,253,200	13,127,103	1,126,097
Contractual Services	4,401,200	4,401,200	1,335,867	3,065,333
Other costs	10,109,200	10,109,200	6,183,347	3,925,853
Other financing uses	<u>163,800</u>	<u>163,800</u>	<u>134,303</u>	<u>29,497</u>
TOTAL EXPENDITURES	\$ <u>28,927,400</u>	<u>28,927,400</u>	20,780,620	<u>8,146,780</u>
NON-BUDGETED ITEMS:				
Reversions			(634,260)	
Timing difference related to accounts payable			<u>(40,056)</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>(721,025)</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis) - continued**

YEAR ENDED JUNE 30, 2010

	AMERICAN REINVESTMENT & RECOVERY ACT (ARRA)			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
REVENUES:				
State General Fund appropriation:				
Regular	\$ -	-	-	-
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	2,313,955	57,845,425	7,063,033	(50,782,392)
Other financing sources	-	-	-	-
Cash balance rebudgeted	199,965	-	-	-
TOTAL REVENUES	\$ 2,513,920	57,845,425	7,063,033	(50,782,392)
EXPENDITURES:				
Personal services and benefits	\$ 1,145,595	3,279,173	711,793	2,567,380
Contractual Services	1,030,623	34,090,159	3,149,545	30,940,614
Other costs	337,702	5,518,274	180,058	5,338,216
Other financing uses	-	14,957,819	2,795,426	12,162,393
TOTAL EXPENDITURES	\$ 2,513,920	57,845,425	6,836,822	51,008,603
NON-BUDGETED ITEMS:				
Timing difference related to accounts payable			(226,211)	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ -	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Statement of Fiduciary Assets and Liabilities - Agency Funds

AS OF JUNE 30, 2010

	Agency Funds
ASSETS:	
Cash	\$ 21,223
Due from other funds	51,276
Due from other state agencies	189,296
Interest receivable	<u>3</u>
TOTAL ASSETS	\$ <u>261,798</u>
LIABILITIES:	
Due to other funds	\$ 94,648
Due to other state agencies	51,276
Due to state general fund	94,648
Deposits held in custody for others	<u>21,226</u>
TOTAL LIABILITIES	\$ <u>261,798</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements

NATURE OF ORGANIZATION

Reporting Entity

On July 1, 1987, the Energy, Minerals, and Natural Resources Department (the Department) was formed by NMSA Section 95A-1 through 95A-7, 1978 Compilation. The basic function of the Department is to maintain responsibility for the protection, preservation and proper utilization of extractive and renewable resources residing within the state. These include, but are not limited to, petroleum, natural gas, coal, uranium, potash, timber, soils and wildlife. The Department administers programs directed toward the promotion of energy conservation, outdoor recreation and natural resources planning. The Department does not have any component units.

The chief executive of the Department is the Secretary, who is appointed by the Governor of New Mexico and is a member of the Governor's cabinet. The Department is a component unit of the executive branch and these financial statements include all funds, account groups and activities over which the Department Secretary has oversight responsibility.

The Department is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. Even though the Department Secretary is appointed by the Governor, that person has decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

In June 1999, the GASB unanimously approved GASB No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This statement provides for the most significant change in financial reporting in over 20 years and consisted of a phased implementation based on size of government. The Department has implemented the provisions of GASB No. 34. As a part of this statement, there is a reporting requirement regarding the local government's infrastructure (road, bridges, etc.) The Department does not own any infrastructure assets and, therefore, is unaffected by this requirement.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Financial Reporting Entity - GASB Statement #34**

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 basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category, which are otherwise being supported by general government revenues. 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. Inter-fund balances have been eliminated in the government-wide financial statements.

The net cost (by function) is normally covered by general revenues (intergovernmental revenues, interest income, etc). Historically, the previous model did not summarize or present net cost by function or activity.

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.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major fund in the governmental category.

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (1) demonstrate legal compliance, (2) demonstrate the source and use of liquid resources, and (3) demonstrate how the Department's 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 Department's fiduciary funds (agency funds) are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide statements.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

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

• **Financial Reporting Entity - GASB Statement #34 - continued**

The Department is a “department” of the State of New Mexico and will be included in any statewide Comprehensive Annual Financial Report. In accordance with the criteria set forth in GASB 14 and 39 for determining component units, the Department does not have any component units.

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

• **Basis of Presentation - Fund Accounting**

The accounts of the Department are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The various funds are summarized by type in the accompanying financial statements. 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 general long-term debt account group.

The major governmental funds presented in these financial statements include the General Fund, the Emergency Fire Disaster Fund, the Abandoned Mine Reclamation Fund, the State Parks Fund, the American Recovery and Reinvestment Act Fund, the Debt Service Fund and the Capital Projects GGRT Fund.

General Fund- Fund No. 19900 - The General Fund is the operating fund of the Department. It is used to account for all operating activities of the Department, except those requiring other governmental fund types. It is funded primarily through the State of New Mexico Appropriations Act. This is a major fund. Included in the General Fund are:

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• Basis of Presentation - Fund Accounting - continued

Governmental Funds – continued

Energy Efficiency - reverting
Forestry - reverting
Mine Reclamation Program – reverting
Voluntary Compliance (Oil & Gas Conservation) - reverting
Program Support - reverting

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

Energy Conservation and Management Division

Petroleum Violation Escrow Funds - 31000, 31400, 31500, 31600, 31700, 31800.

Petroleum Violation Escrow Funds (non-reverting) were established to account for the State of New Mexico's proportionate share of the Petroleum Violation Escrow Funds (oil overcharge monies) pursuant to the 1983 Further Continuing Appropriations Act, Public Law No. 970-377, enacted on December 20, 1982. Funds received are to be utilized for the purpose of funding energy conservation projects in public and nonpublic schools and hospitals in New Mexico, for promoting the introduction of solar energy measures to residential buildings through reduction of interest rates charged by banks, and for demonstrating and promoting energy conservation technology to residences and small businesses. The Department has special revenue funds for the following petroleum violation escrow accounts: Exxon, Diamond Shamrock, Stripper Well, Warner, Second Stage and Chevron.

Energy Efficiency Assessment Revolving Fund – 20150.

The Energy Efficiency Assessment Revolving Fund (non-reverting) was established in accordance with Section 6, Chapter 171, Laws of 2007. The fund consists of appropriations, gifts, grants, donations and bequests made to the fund and reimbursements of costs incurred by the Department in performing energy efficiency assessments pursuant to the Energy Efficiency and Renewable Energy Bond Act. Income from the fund is credited to the fund and money in the fund at year end is not revertible and nontransferable to any other fund.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• Basis of Presentation - Fund Accounting - continued

Special Revenue Funds - continued

Oil Conservation Division

Oil Reclamation Fund - 31100. The Oil Reclamation Fund (non-reverting), established in accordance with Section 70-2-37, NMSA, 1978 Compilation, provides funds for the plugging of dry and abandoned oil wells. The fund was originally allocated a percentage of the oil conservation tax. The tax revenues are used to award performance contracts to independent contractors.

Forestry Division

Emergency Fire Disaster Fund - 21300. The Emergency Fire Disaster Fund (reverting) was established in accordance with Section 68-2-18, NMSA, 1978 Compilation, to account for the operations of the State Forestry and Resources Division in the execution of emergency fire suppression. This is funded from the Governor's contingency fund. This is a major fund of the Department.

Forest Land Protection Fund - 32200. The Forest Land Protection Fund (non-reverting) was established in accordance with Section 68-2-28, NMSA, 1978 Compilation.

Conservation Planting Revolving Fund - 32100. The Conservation Planting Revolving Fund (non-reverting) was established in accordance with Section 68-2-21, NMSA, 1978 Compilation, to account for the collection and payment to the State's general fund of the proceeds from the sale of tree seedlings to New Mexican landowners for conservation plantings.

Inmate Work Camp Fund - 95600. The Inmate Work Camp Fund (non-reverting) was established in accordance with Section 33-13-1 to 33-13-8, NMSA, 1978 Compilation, to provide inmate labor for natural resource work planned by the forestry division.

State Parks Division

State Parks Fund - 20010. The Parks Fund (non-reverting) was established to account for monies derived from the operation of state park and recreation areas or from governmental gross receipts tax distributions pursuant to Section 70106.38 NMSA 1978 appropriated to the Department. This is a major fund of the Department.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- Basis of Presentation - Fund Accounting - continued

Special Revenue Funds - continued

State Parks Division - continued

Motor Boat Fuel Tax Fund - 30900. The Motor Boat Fuel Tax Fund (non-reverting) was established in accordance with Section 16-2-19.1, NMSA, 1978 Compilation, to account for ongoing financing, construction and maintenance for motor boat facilities throughout the State. Financing is provided through distribution of gasoline taxes.

Natural Lands Protection Fund - 20000. The Natural Lands Protection Fund (non-reverting) was established to provide funds for the purpose of acquiring land representing the State's commitment to the proposed Petroglyph National Monument located in Bernalillo Department. This appropriation is contingent upon the following provisions: (1) the federal government designating the proposed petroglyph site a national monument; (2) the City of Albuquerque providing funds equal to this appropriation; and (3) the Department entering into a joint powers agreement with the City of Albuquerque in order for the City of Albuquerque to acquire lands necessary for the State's portion of the proposed Petroglyph National Monument.

Mining and Minerals Division

Abandoned Mine Reclamation Fund - 65600. The Abandoned Mine Reclamation Fund (non-reverting) was established in accordance with Section 69-25B-4, NMSA, 1978 Compilation, to retain a portion of the reclamation fees collected in an interest-bearing account to be used after August 3, 1992, for abandoned mine and land reclamation projects. This is a major fund of the Department.

Surface Mining Penalty Fund - 32000. The Surface Mining Penalty Fund (non-reverting) was established in accordance with Section 69-25A-22, NMSA, 1978 Compilation, as an escrow account for penalties assessed under the Surface Mining Act, which are contested by persons charged with violations of the Act. Proposed penalty amounts are deposited to this fund until the penalty case is adjudicated, at which time such amounts are transferred to the Surface Mining Permit Fees Fund or returned to the depositor.

Surface Mining Permit Fees Fund - 31900. The Surface Mining Permit Fees Fund (non-reverting) was established in accordance with Section 69-25A-10, NMSA, 1978 Compilation, to account for fees accompanying applications for surface coal mining

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- Basis of Presentation - Fund Accounting - continued

Special Revenue Funds - continued

Mining and Minerals Division - continued

Surface Mining Permit Fees Fund – 31900 - continued.

and reclamation permits pursuant to the Surface Mining Act. Fees collected are appropriated for expenditures in the General Fund for administration of the Surface Mining Act.

New Mexico Mining Act Fund - 56600. The New Mexico Mining Act Fund (non-reverting) was established in accordance with Section 69-36-1, NMSA, 1978 Compilation, to promote responsible utilization and reclamation of lands affected by exploration, mining or the extraction of minerals that are vital to the welfare of New Mexico.

New Mexico Mining Act Penalty Fund - 73100. The New Mexico Mining Act Penalty Fund (non-reverting) was established in accordance with Section 69-36-19, NMSA, 1993, to establish a fund in order to properly deposit fines and penalties collected per the act.

Multiple Divisions

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

Office of the Secretary

Youth Conservation Corps - 01400. The Youth Conservation Corps (YCC) fund (non-reverting) was established in accordance with Section 9-SB-1, NMSA, 1978 Compilation, to provide a process to employ young persons in projects to conserve New Mexico's natural resources and provide community benefits of lasting value. The monies are received according to the Laws of 1994, Chapter 145, which states that, "A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the Energy, Minerals, and Natural Resources Department in an amount equal to 25% of the net receipts attributable to the governmental gross receipts tax. 40% of the distribution is appropriated to the Department to implement the provisions of the New Mexico Youth Conservation Corps Act, and 60% of the distribution is appropriated to the Department

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• Basis of Presentation - Fund Accounting - continued

Special Revenue Funds - continued

Office of the Secretary - continued

Youth Conservation Corps – 01400 - continued.

for state park and recreation area capital improvements, including the costs of planning, engineering, design, construction, renovation, repair, equipment and furnishings.”

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

Park and Recreation Division

EMNRD Capital Projects - 64600. The EMNRD Capital Projects - GGRT Fund (non-reverting) was established by law to account for financing resources to be used for improving roads; purchasing equipment; and developing, improving and acquiring capital facilities. This fund is financed by governmental gross receipts taxes and federal funds. This is a major fund of the Department.

EMNRD Capital Projects GF/STB - 50900. The EMNRD Capital Projects Fund (non-reverting) was established to account for financing resources to be used for the acquisition of capital assets as outlined by state law. The fund was created pursuant to Laws of 1995 and is funded primarily by state general fund appropriations and debt issuances of severance tax bonds.

Debt Service Fund - 30000 - The Debt Service Fund is used to account for financial resources set aside to meet current and future debt service requirements as required by the 1995A and 1995B Series bond issuances, 1996A and 1996B Series bond issuances, 1997A and 1997B Series bond issuances, 1998A and 1998B Series bond issuances and 2001 Series bond issuances. This is a major fund of the Department.

Fiduciary Funds - Fiduciary Funds include trust and agency funds, which are used to account for assets held by the Department in the capacity of trustee or agent for individuals, private organizations, other governmental entities and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Boat Suspense Fund - 77300-521. The Boat Suspense Fund (non-reverting) was established by Statute 66-12-6.1H NMSA 1978, Annotated. An excise tax is imposed upon the sale of every boat required to be registered in the state. All taxes collected

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• Basis of Presentation - Fund Accounting - continued

Fiduciary Funds - continued

Boat Suspense Fund - 77300-521 - continued.

under the provision of this section shall be paid to the State Treasurer for credit to the "boat suspense fund" hereby created. At the end of each month, the State Treasurer shall transfer 50% of the excise tax collections in the boat suspense fund to the Department, and the balance to the state general fund. The amounts transferred to the Department are appropriated for use by the Department for improvements and maintenance of lakes and boating facilities owned by the state and for administration and enforcement of the Boat Act.

Governmental Gross Receipts Tax Suspense Fund - 77400. The Governmental Gross Receipts Tax Suspense Fund (non-reverting) was established by Chapter 08, Laws of 1991. The Governmental Gross Receipts Tax Act, effective July 1, 1991, Section 7-9-4.1 NMSA 1978, states in pertinent part that "For the privilege of engaging in certain activities by governments, there is imposed on the State of New Mexico and any agency, institution, instrumentality or political subdivision... an excise tax of 5% of governmental gross receipts."

To account for the governmental gross receipts tax the agency must pay, the agency established the GGRT fund. Transferred to the fund from the operating fund, state parks fund and conservation planting revolving fund are monies that represent 5% of the collections for seedling sales and for admissions and campsite rentals at the various state parks. Payments of the governmental gross receipts tax to the TRD are effected through state warrants.

Oil Disposition Holding Fund - 89100. The Oil Disposition Holding Fund (non-reverting) was established by the Oil and Gas Proceeds Payment Act contained in sections 70-10-1 to 70-10-6 to hold funds until parties who have claim to these monies have been determined.

RETA Fund - 10290. The Renewable Energy Transmission Fund was established by Statute 62-16A-6. This fund was set up for the sole purpose of transferring the money appropriated to the Department to the Renewable Energy Transmission Authority (RETA). The Department is a pass-through entity for funds appropriated to RETA. This fund is non-reverting.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Basis of Accounting**

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Department gives (or receives) value without directly receiving (or giving) equal value in exchange, include gross receipts taxes, grants and appropriations. On an accrual basis, revenue from gross receipts taxes is recognized in the fiscal year for which the taxes are collected. Revenue from grants and appropriations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Governmental fund types follow the modified accrual basis of accounting for financial statement purposes. Under the modified accrual basis of accounting, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the fiscal period (available meaning collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, typically 60 days, and 9 months for Federal Revenue).

Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Interest earned is accrued currently by the appropriate funds. Contributions, gross receipts tax and other monies held by other state and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

Expenditures, other than vacation, compensatory and sick pay, are recorded when they are incurred. Expenditures charged to federal programs are recorded utilizing the cost principles prescribed or permitted by the various funding sources. Interest expense is recognized when paid. Total interest expense incurred during the year ended June 30, 2010 was \$819,850.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Federal Grants Receivable (Deferred Revenue)**

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. Conversely, deferred revenue balances represent an overdraw of cash (advances) in excess of modified accrual basis expenditures. Generally, receivable or deferred balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

• **Reservations and Designations**

The accounting for actual revenue and expenditures for budgetary purposes beginning July 1, 2004, were changed to the modified accrual method of accounting from the budgetary non-accrual basis of accounting. In conjunction with this change in the basis of accounting, encumbrances are no longer reflected in the expenditures of the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual, beginning July 1, 2004.

Reservations of fund balance are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated, or (2) identify the portion of the fund balance that is appropriated for future expenditures. Under the guidance provided by the Office of the State Auditor - Audit Rule - 2.2.2.12 A (5) (a), (b) NMAC 2005, encumbrances are to be reflected as a reservation of fund balance but are not to be reflected as restricted fund balance in the governmental-wide financial statements. Specific reservations of fund balance accounts are summarized below:

Reserved for Special Monies - These reserves were created to restrict the use of all resources contributed to or earned by these funds through laws created by the State legislature.

Reserved for Debt Service - Represents legally segregated amounts related to annual debt service payments over the remaining period of the outstanding bond issue.

Reserved for Encumbrances - Consists of executed and outstanding contracts and purchase orders for which delivery is anticipated in the next fiscal year, special appropriations.

Reserved for Capital Projects - Represents legally segregated amounts related to the implementation and service of capital projects.

Invested in Capital Assets - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

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

• **Budgets and Budgetary Accounting**

The state Legislature makes annual appropriations to the Department. Annual appropriations lapse at fiscal year end unless otherwise specified in the legislation. Legal compliance is monitored through the establishment of a budget (modified accrual) and a financial control system that permits a budget to actual expenditure comparison. Expenditures may not legally exceed appropriations for each budget at the category level. Budgeted category amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration (DFA) within the limitations as specified in the General Appropriations Act.

The budgetary legal authorization to incur obligations is on a basis that differs from the basis of accounting required by accounting principles generally accepted in the United States of America (GAAP). Significant differences between the budgetary basis and GAAP include the following:

The budget is adopted on a modified accrual basis of accounting that is consistent with GAAP. This change was implemented with the Laws of 2004, Chapter 114, Section 3, paragraph N and paragraph O. This change is effective for fiscal years beginning July 1, 2004. In prior years, the budgetary basis of accounting was not considered a GAAP basis of accounting. There remains a difference, however, between the budgetary basis and the GAAP presentation which is a result of receipts in prior years and payments made in the current year on outstanding prior year encumbrances. Budgetary comparisons presented in the financial statements are now presented on a basis which is consistent with GAAP.

• **Interfund and Interagency Transactions**

During the year, the Department makes various transfers of monies to fund debt service payments, capital projects and to reimburse the General Fund for costs incurred on behalf of other funds. Transfers which, because of budgetary or legal restrictions, must be expended by funds other than the fund initially receiving the revenue, are recorded as operating transfers in (out) under the other financing sources (uses) category.

• **Modified Accrual**

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to Governmental Accounting Standards Board Statement No. 33 (GASB 33), *Accounting and Financial Reporting for Nonexchange Transactions*, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Capital Assets**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays exceeding \$5,000 that significantly extend the useful life of an asset are capitalized per Section 12-6-10 NMSA 1978. Other costs incurred for repairs and maintenance are expensed as incurred.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives in years:

Land improvements	20
Buildings and building improvements	25
Furniture and equipment	5 - 10
Vehicles	5

The Department capitalizes computer software, whether purchased or developed internally, in accordance with guidelines provided by the GSD Rule NMAC Chapter 20, Part 1, Sections 2.20.1.9C(5) and 2.20.1.10C, and FASB 86 accounting principles. Museum acquisitions are considered inexhaustible assets and therefore are not depreciated.

• **Reserve for Subsequent Years' Expenditure**

Reserve for subsequent years' expenditure represents the portions of the fund balance that are legally segregated for specific future uses.

• **Compensated Absences**

The Department accounts for the accumulated vacation leave on the accrual basis in accordance with GASB 16. Accrued vacation up to 240 hours is recorded in the Statement of Net Assets at 100% of the employee's hourly wage. In addition, accrued sick leave over 600 and up to 720 hours less the amount classified as current is recorded in the Statement of Net Assets at 50% of the employee's hourly wage. Compensatory time is accrued at a rate of one and one-half hours for each hour of employment for which overtime compensation is required for those employees covered by the Fair Labor Standards Act (FLSA). Employees exempt from coverage by FLSA earn one hour of compensatory time for each overtime hour. The accrual for compensated absences is calculated at pay rates in effect at June 30, 2010, and includes direct and incremental salary related payments, such as the employees' share of social security taxes.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Short-Term Debt**

The Department did not have any short-term debt activity during the year.

• **Use of Estimates**

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

• **Risk Management**

The Department, as a “State Agency” defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the State of New Mexico. The Department pays annual premiums to the Risk Management Division for coverage provided in the following areas:

- Liability and civil rights protection for claims made by others against the State of New Mexico.
- Coverage to protect the State of New Mexico's property and assets.
- Fringe benefit coverage for State of New Mexico employees.

At June 30, 2010, the Department had no claims that the Risk Management Division has returned as not covered that would become the responsibility of the Department.

2. PVE FUND GRANT EXPENDITURES

Various grant programs allocate expenditures to the Petroleum Violation Escrow (PVE) accounts included as cost centers in the General Fund and as Special Revenue Funds. These expenditures are included in the General Fund and within the Combined Special Revenue Funds. However, these expenditures have not been included within the accompanying Supplemental Schedule of Expenditures of Federal Awards because of the unique nature of these funds. Revenues included in the PVE Funds are derived from interest earned on deposits with the State Treasurer recorded as Other State Funds and federal draw downs from the U.S. Department of Energy. During the current fiscal year, the PVE accounts did not incur any expenditures.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

3. CASH DEPOSIT ACCOUNTS AND INVESTMENTS

Cash, other than petty cash, is deposited by the Department into its accounts with the State Treasurer and is pooled and invested by the State Treasurer. The Department is required by statute to deposit any money received into the State Treasury. The State Treasurer issues separate financial statements, which disclose the collateral pledged to secure these deposits, the categories of risk involved, and the market value of purchased investments, which may differ from the cash deposited by the Department.

Other bank accounts are used by the Department to deposit revenue from its various locations in order to transfer the funds into its accounts with the State Treasurer. The Department's investments are held by agents of the Department in the Department's name. All funds deposited at financial institutions were fully insured by the Federal Deposit Insurance Corporation up to \$250,000 at June 30, 2010.

<u>Account Name</u>	<u>Account Number</u>	<u>Type</u>	<u>Balances June 30, 2010</u>
General Fund:			
Operating Fund	199-521	State Treasury Account	\$ -
Petty cash	N/A	Petty cash accounts	3,100
Bank accounts (see Schedule 2)	Various	Various banks	499
Special Revenue Funds:			
State Parks	2001-521	State Treasury Account	4,379,930
Motor Boat Fuel Tax Fund	309-521	State Treasury Account	176,018
Emergency Fire Disaster Fund	213-521	State Treasury Account	2,912,244
Oil Reclamation Fund	311-521	State Treasury Account	1,801,209
Conservation Planting Revolving Fund	321-521	State Treasury Account	62,062
Forest Land Protection Fund	322-521	State Treasury Account	1,321
Natural Lands Protection Fund	200-521	State Treasury Account	11,954
Petroleum Violation Escrow Funds – Stripper Well	316-521	State Treasury Account	11,912
Surface Mining Permit Fees	319-521	State Treasury Account	93,705
Surface Mining Penalty Fund	320-521	State Treasury Account	3,604
Abandoned Mine Reclamation Fund	656-521	State Treasury Account	4,681,694
NM Mining Act Fund	566-521	State Treasury Account	357,046
NM Youth Conservation Corps	014-522	State Treasury Account	2,827,393
NM Mining Act Penalty Fund	731-521	State Treasury Account	124,318

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

3. CASH DEPOSIT ACCOUNTS AND INVESTMENTS - continued

<u>Account Name</u>	<u>Account Number</u>	<u>Type</u>	<u>Balances June 30, 2010</u>
Special Revenue Funds - continued:			
Energy Efficiency Assessment Fund	2015-521	State Treasury Account	\$ 500,000
Inmate Workcamp Fund	956-521	State Treasury Account	261,050
ARRA Fund	890-521	State Treasury Account	-
Bank Accounts (see Schedule 2)	Various	Various	49,692
Petty Cash	N/A	Petty Cash Accounts	16,600
Capital Projects Funds:			
Capital Projects GGRT	646-521	State Treasury Account	2,539,147
GF/STB	509-521	State Treasury Account	-
Bonds 2003 issuance	N/A	Repurchase Agreement	-
Debt Service Funds:			
Debt Service	300-521	State Treasury Account	1,420,057
NM Finance Authority	N/A	Bank Accounts	143
Bonds 1995A & 1995B issuance	N/A	Repurchase Agreement	285,865
Bonds 1996A & 1996B issuance	N/A	Repurchase Agreement	296,619
Bonds 1997A & 1997B issuance	N/A	Repurchase Agreement	372,697
Bonds 1998A & 1998B issuance	N/A	Repurchase Agreement	384,726
Bonds 2000A & 2000B issuance	N/A	Repurchase Agreement	370,148
Bonds 2003	N/A	Repurchase Agreement	497,965
Bonds 2010	N/A	Repurchase Agreement	<u>830,194</u>
Governmental funds cash and cash equivalents			25,272,912
Agency Funds:			
Boat Suspense Fund	773-521	State Treasury Account	-
Soil and Water Equipment Fund	775-521	State Treasury Account	-
Oil Disposition Holding Fund	891-521	State Treasury Account	21,223
Renewable Energy Transmission Fund	1029-521	State Treasury Account	<u>-</u>
Agency Funds cash			<u>21,223</u>
Total cash and cash equivalents			\$ <u>25,294,135</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

3. CASH DEPOSIT ACCOUNTS AND INVESTMENTS - continued

The Bank of New York Mellon (previously Bank of Albuquerque) repurchase agreements are held in trust for the 1995, 1996, 1997, 1998, 2001 and 2003 Series bonds received from the New Mexico Finance Authority. State law requires that repurchase agreements be secured by collateral with a market value greater than 102% of the value of the agreement.

Cash balances at June 30, 2010 consisted of cash invested with the State Treasurer. In general, state statutes require that all deposits held by the State Treasurer be collateralized at a minimum level of 50%. The State Treasurer is in compliance with this requirement. The State Treasurer issues separate financial statements, which disclose the collateral pledged to secure these deposits, categories of risk involved and the market value of purchased investments, which may differ from the cash deposited by the Department (refer to Schedule 3 – Pledged Collateral and Schedule 2 – Schedules of Cash Accounts.) All pledged securities for the Department are held in the name of the New Mexico State Treasurer by the Federal Home Loan Bank of Dallas Texas, an independent custodian. Custodial credit risk is the risk that, in the event of failure of the counterparty, the Department will not be able to recover the value of its cash that is in the possession of an outside party. The Department's cash balances are exposed to custodial credit risk of \$11,092,944.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

4. CAPITAL ASSETS

A summary of changes in capital assets follows:

<u>Governmental Type Activities</u>	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>Balance June 30, 2010</u>
Buildings and improvements	\$ 67,891,759	2,307,700	(9,000)	70,190,459
Data processing equipment	3,166,070	200,787	(17,112)	3,349,745
Equipment and machinery	11,862,224	1,758,816	(229,672)	13,391,368
Furniture and fixtures	513,168	55,844	(61,807)	507,205
Land improvements	24,138,203	859,763	-	24,997,966
Vehicles and automotive	<u>8,559,354</u>	<u>517,839</u>	<u>(537,985)</u>	<u>8,539,208</u>
Total	116,130,778	5,700,749	(855,576)	120,975,951
Accumulated depreciation:				
Buildings and improvements	(27,527,493)	(2,908,085)	7,549	(30,428,029)
Data processing equipment	(2,725,813)	(271,117)	17,038	(2,979,892)
Equipment and machinery	(8,583,250)	(854,897)	229,672	(9,208,475)
Furniture and fixtures	(469,933)	(16,757)	61,807	(424,883)
Land improvements	(14,325,699)	(881,450)	-	(15,207,149)
Library and museum acquisitions	-	-	-	-
Vehicles and automotive	<u>(6,139,994)</u>	<u>(758,483)</u>	<u>514,188</u>	<u>(6,384,289)</u>
Total accumulated depreciation	(59,772,182)	(5,690,789)	830,254	(64,632,717)
Assets not being depreciated:				
Projects in Progress	2,639,656	1,590,217	(640,901)	3,588,972
Library and museum acquisitions	556,231	-	-	556,231
Land	<u>11,914,170</u>	<u>-</u>	<u>-</u>	<u>11,914,170</u>
Total	<u>15,110,057</u>	<u>1,590,217</u>	<u>(640,901)</u>	<u>16,059,373</u>
Net Total	\$ <u>71,468,653</u>	<u>1,600,177</u>	<u>(666,223)</u>	<u>72,402,607</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

4. CAPITAL ASSETS – continued

Depreciation expense was charged to governmental function as follows:

Natural Resources and Recreation	\$	<u>5,690,789</u>
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5. REVERSION OF FUNDS

In accordance with statute Section 6-5-10(A) NMSA 1978, unreserved, undesignated fund balances in reverting funds and accounts as reflected in the central accounting system as of June 30 shall revert. A total of \$2,379,430 was paid to the State General Fund during the year. \$1,473,709 is payable at June 30, 2010 and due by September 30, 2010. This payable may be adjusted within 45 days of the release of this audit by the New Mexico Office of the State Auditor.

	<u>Reversion Amount</u>	<u>Fiscal Year of Appropriation or Collection</u>
State Parks Appropriation	\$ 634,260	2010
Capital Projects Severance Tax Bonds	\$ 1,653,356	2010
		Executive Order
General Fund Appropriation	\$ 828,372	2009-044
Special Revenue Fund – Emergency Fire Disaster	\$ 755,151	2010

Of these reversion amounts due to the State General Fund for the year ending June 30, 2010, \$1,473,709 was paid in August and September 2010. The current year reversions due to the State General Fund as of June 30, 2010 were as follows:

General Fund	\$	827,921
State Parks Fund		634,260
Capital Projects GF/STB		<u>11,528</u>
	\$	<u>1,473,709</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

6. LONG-TERM DEBT

The changes to long-term debt are as follows:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amounts Due</u> <u>Within One Year</u>
Compensated absences	\$ 2,045,189	1,373,986	(1,622,389)	1,796,786	850,775
Federal loan proceeds	1,050,647	-	(9,181)	1,041,466	10,093
Bonds issued, 1995A and 1995B	120,937	-	(18,697)	102,240	19,258
Bonds issued, 1996A and 1996B	163,321	-	(21,314)	142,007	21,954
Bonds issued, 1997A and 1997B	2,442,549	-	(255,027)	2,187,522	265,778
Bonds issued, 1998A and 1998B	2,818,419	-	(255,929)	2,562,490	271,707
Bonds issued, 2001	3,129,290	-	(227,320)	2,901,970	236,709
Bonds issued, 1995A and 1996A	3,007,000	-	(405,000)	2,602,000	422,000
Bonds issued, 2003	5,691,235	-	(321,608)	5,369,627	330,893
Bonds issued, 2010 equipment	<u>-</u>	<u>842,647</u>	<u>-</u>	<u>842,647</u>	<u>100,500</u>
	<u>\$ 20,468,587</u>	<u>2,216,633</u>	<u>(3,136,465)</u>	<u>19,548,755</u>	<u>2,529,667</u>

Typically, the General Fund has been used to liquidate other long-term liabilities.

There is a long-term obligation of \$1,041,466 resulting from federal loan proceeds received to fund construction of recreational facilities at Brantley Reservoir, which was completed during 1992. The funding was provided by the Bureau of Reclamation and created through Federal Contract No. 7-07-57-X0888. A base amount of \$914,500 plus 50% of federal funds received by the state in excess of \$914,500 will be repaid to the federal government. The other 50% in excess of this amount has been recognized as federal revenue. Repayment is scheduled over a fifty-year period with annual payments of \$69,473 or the state's annual revenues from entrance and user fees, whichever is less.

The terms of repayment as of June 30, 2010, are as follows:

	<u>Principal</u> <u>Balance</u>	<u>Interest</u> <u>Rate</u>
\$	914,500	5.116%
	<u>126,966</u>	9.92%
\$	<u>1,041,466</u>	

The annual payments will be applied first to the obligation in excess of \$914,500 and then to the \$914,500 base amount. Interest expense for the current fiscal year was \$60,291.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

6. LONG-TERM DEBT - continued

Maturities of the debt for the following five years and thereafter are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 10,093	59,381	69,474
2012	11,093	58,380	69,473
2013	12,194	57,279	69,473
2014	13,404	56,070	69,474
2015	14,733	54,740	69,473
2016 - 2020	98,249	249,116	347,365
2021 - 2025	134,945	212,420	347,365
2026 - 2030	173,182	174,183	347,365
2031 - 2035	222,253	125,112	347,365
2036 - 2040	285,227	62,137	347,364
2041	<u>66,093</u>	<u>3,381</u>	<u>69,474</u>
Total	\$ <u>1,041,466</u>	<u>1,112,199</u>	<u>2,153,665</u>

During the 1996 fiscal year, Parks and Recreation Division issued series 1995A and 1995B Series bonds. These bonds were issued in accordance with 16-2-21 NMSA 1978, "State Park and Recreation Bond Act". These bonds were issued to provide for the acquiring, developing, operating and maintaining of state parks and recreation areas. Series 1995A was issued for \$3,330,000 and Series B for \$333,000, with a total issuance cost of \$77,348. The 1995A bond series were paid off in the prior year with the 1995/1996 Series A bond issue. These bonds are pledged to be repaid by Parks and Recreation Division's share of governmental gross receipts tax. Interest rates on the series vary from 3 to 6%. The issuances require a reserve of \$285,365 to be maintained in a debt service fund. Interest expense for the current fiscal year was \$3,326. The current portion of long-term debt is \$19,258.

Maturities of the bond issuances for the next five years and thereafter are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series B:			
2011	\$ 19,258	2,812	22,070
2012	19,835	2,282	22,117
2013	20,430	1,736	22,166
2014	21,043	1,175	22,218
2015	<u>21,674</u>	<u>596</u>	<u>22,270</u>
Total	\$ <u>102,240</u>	<u>8,601</u>	<u>110,841</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

6. LONG-TERM DEBT - continued

During the 1997 fiscal year, Parks and Recreation Division issued series 1996A and 1996B Series bonds. These bonds were issued in accordance with 16-2-21 NMSA 1978, "State Park and Recreation Bond Act". These bonds were issued to provide for the acquiring, developing, operating and maintaining of state parks and recreation areas. Series 1996A was issued for \$3,510,000 and Series 1996B for \$390,000, with issuance costs of \$75,250. The 1996A bond series were paid off in the prior year with the 1995/1996 Series A bond issue. Parks and Recreation Division's share of governmental gross receipts tax is pledged to repay these bonds. Interest rates on the 1996 series bonds vary from 3 to 6%. The issuances require a reserve of \$296,100 to be maintained in the debt service fund. Interest expense for the current fiscal year was \$4,491. The current portion of long-term debt is \$21,954.

Maturities of the bond issuances for the next five years and thereafter are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series B:			
2011	\$ 21,954	3,905	25,859
2012	22,612	3,302	25,914
2013	23,291	2,680	25,971
2014	23,990	2,039	26,029
2015	24,709	1,379	26,088
2016	<u>25,451</u>	<u>700</u>	<u>26,151</u>
Total	\$ <u>142,007</u>	<u>14,005</u>	<u>156,012</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

6. LONG-TERM DEBT - continued

During the 1998 fiscal year, Parks and Recreation Division issued series 1997A and 1997B Series bonds. These bonds were issued in accordance with 16-2-21 NMSA 1978, "State Park and Recreation Bond Act". These bonds were issued to provide for the acquiring, developing, operating and maintaining of state parks and recreation areas. Series 1997A was issued for \$4,245,000 and Series 1997B for \$471,667, with issuance costs of \$106,995. Parks and Recreation Division's share of governmental gross receipts tax is pledged to repay these bonds. Interest rates on the 1997 series bonds vary from 3 to 6%. The issuances require a reserve of \$352,885 to be maintained in the debt service fund. Interest expense for the current fiscal year was \$136,155. The current portion of long-term debt is \$265,778.

Maturities of the bond issuances for the next five years and thereafter are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series A:			
2011	\$ 240,000	109,495	349,495
2012	255,000	96,655	351,655
2013	270,000	82,885	352,885
2014	280,000	68,170	348,170
2015	300,000	52,770	352,770
2016 - 2017	<u>645,000</u>	<u>54,600</u>	<u>699,600</u>
Total A Series	1,990,000	464,575	2,454,575
<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series B:			
2011	\$ 25,778	5,432	31,210
2012	26,551	4,723	31,274
2013	27,348	3,993	31,341
2014	28,168	3,241	31,409
2015	29,013	2,466	31,479
2016 - 2017	<u>60,664</u>	<u>2,515</u>	<u>63,179</u>
Total B Series	<u>197,522</u>	<u>22,370</u>	<u>219,892</u>
Grand Total	\$ <u>2,187,522</u>	<u>486,945</u>	<u>2,674,467</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

6. LONG-TERM DEBT - continued

During the 1999 fiscal year, Parks and Recreation Division issued series 1998A and 1998B Series bonds. These bonds were issued in accordance with 16-2-21 NMSA 1978, "State Park and Recreation Bond Act". These bonds were issued to provide for the acquiring, developing, operating and maintaining of state parks and recreation areas. Series 1998A was issued for \$4,530,000 and Series 1998B for \$503,334, with issuance costs of \$105,721. Parks and Recreation Division's share of governmental gross receipts tax is pledged to repay these bonds. Interest rates on the 1998 series bonds vary from 3 to 8%. The issuances require a reserve of \$364,275 to be maintained in the debt service fund. Interest expense for the current fiscal year was 137,279. The current portion of long-term debt is \$271,707.

Maturities of the bond issuances for the next five years and thereafter are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series A:			
2011	\$ 245,000	118,995	363,995
2012	255,000	106,990	361,990
2013	270,000	94,240	364,240
2014	280,000	80,605	360,605
2015	295,000	66,325	361,325
2016 - 2018	<u>980,000</u>	<u>104,258</u>	<u>1,084,258</u>
Total A Series	2,325,000	571,413	2,896,413
<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series B:			
2011	\$ 26,707	6,531	33,238
2012	27,508	5,796	33,304
2013	28,334	5,040	33,374
2014	29,184	4,261	33,445
2015	30,059	3,458	33,517
2016 - 2018	<u>95,698</u>	<u>5,315</u>	<u>101,013</u>
Total B Series	<u>237,490</u>	<u>30,401</u>	<u>267,891</u>
Grand Total	\$ <u>2,562,490</u>	<u>601,814</u>	<u>3,164,304</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

6. LONG-TERM DEBT - continued

During the 2001 fiscal year, Parks and Recreation Division issued series 2001 Series bonds. These bonds were issued in accordance with 16-2-21 NMSA 1978, "State Park and Recreation Bond Act". These bonds were issued to provide for the acquiring, developing, operating and maintaining of state parks and recreation areas. The 2001 Series was issued for \$4,825,403 with issuance costs of \$82,032. Parks and Recreation Division's share of governmental gross receipts tax is pledged to repay these bonds. Interest rate on the 2001 series bonds is 4.7%. The issuances require a reserve of \$369,501 to be maintained in the debt service fund. Interest expense for the current fiscal year was \$142,180. The current portion of long-term debt is \$236,709.

Maturities of the bond issuances for the next five years and thereafter are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001 Series:			
2011	\$ 236,709	132,791	369,500
2012	246,721	122,779	369,500
2013	257,404	112,096	369,500
2014	268,782	100,718	369,500
2015	280,850	88,650	369,500
2016 - 2020	<u>1,611,504</u>	<u>235,997</u>	<u>1,847,501</u>
Total	\$ <u>2,901,970</u>	<u>793,031</u>	<u>3,695,001</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

6. LONG-TERM DEBT - continued

During the 2004 fiscal year, Parks and Recreation Division issued series 1995/1996 Series A bonds. These bonds were issued in accordance with 16-2-21 NMSA 1978, "State Park and Recreation Bond Act". These bonds refunded the debt on the 1995 Series A and 1996 Series A bonds. The 1995\1996 Series A were issued for \$5,215,000 with issuance costs of \$13,038. Parks and Recreation Division's share of governmental gross receipts tax is pledged to repay these bonds. Interest rate on the 1995\1996 Series A bonds is 4.4672%. The issuances require a reserve of \$467,500 to be maintained in the debt service fund. Interest expense for the current fiscal year was \$138,735. The current portion of long-term debt is \$422,000.

Maturities of the bond issuances for the next five years and thereafter are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1995/1996 Series A:			
2011	\$ 422,000	121,959	543,959
2012	443,000	101,852	544,852
2013	469,000	80,948	549,948
2014	488,000	59,110	547,110
2015	508,000	35,118	543,118
2016	<u>272,000</u>	<u>10,000</u>	<u>282,000</u>
Total	\$ <u>2,602,000</u>	<u>408,987</u>	<u>3,010,987</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

6. LONG-TERM DEBT - continued

During the 2004 fiscal year, Parks and Recreation Division issued series 2003 Series bonds. These bonds were issued in accordance with 16-2-21 NMSA 1978, "State Park and Recreation Bond Act". These bonds were issued to provide for the acquiring, developing, operating and maintaining of state parks and recreation areas. The 2003 Series was issued for \$7,338,915 with issuance costs of \$82,032. Parks and Recreation Division's share of governmental gross receipts tax is pledged to repay these bonds. Interest rate on the 2003 Series bonds is 3.823%. The issuances require a reserve of \$541,514 to be maintained in the debt service fund. Interest expense for the current fiscal year was 205,187. The current portion of long-term debt is \$330,893.

Maturities of the bond issuances for the next five years and thereafter are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003 Series:			
2011	\$ 330,893	196,728	527,621
2012	341,143	187,331	528,474
2013	352,190	177,165	529,355
2014	364,053	166,212	530,265
2015	376,790	154,417	531,207
2016 - 2020	2,113,125	558,345	2,671,470
2021 - 2023	<u>1,491,433</u>	<u>125,387</u>	<u>1,616,820</u>
Total	\$ <u>5,369,627</u>	<u>1,565,585</u>	<u>6,935,212</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

6. LONG-TERM DEBT - continued

During the 2010 fiscal year, Parks and Recreation Division issued series 2010 Series bonds. These bonds were issued in accordance with 16-2-22 through 16-2-29 NMSA 1978, "State Park and Recreation Bond Act". These bonds were issued to provide for the purchase of heavy equipment to be used for the development, operations and maintenance of state parks and recreation areas. The 2010 Series was issued for \$842,647 with issuance costs of \$12,453. Parks and Recreation Division's share of governmental gross receipts tax is pledged to repay these bonds. Interest rate on the 2010 Series bonds is 2.164%. The issuances require a reserve of \$84,250 to be maintained in the debt service fund. The current portion of long-term debt is \$100,500.

Maturities of the bond issuances for the next five years and thereafter are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010 Series:			
2011	\$ 100,500	13,585	114,085
2012	100,500	15,001	115,501
2013	100,500	13,916	114,416
2014	100,500	12,509	113,009
2015	100,500	10,750	111,250
2016	<u>340,147</u>	<u>8,640</u>	<u>348,787</u>
Total	\$ <u>842,647</u>	<u>74,401</u>	<u>917,048</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

7. DUE FROM AND DUE TO OTHER FUNDS

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

<u>Amount Due from Other Funds</u>			<u>Amount Due to Other Funds</u>		
<u>Fund Name</u>	<u>Fund No.</u>	<u>Amount</u>	<u>Fund Name</u>	<u>Fund No.</u>	<u>Amount</u>
General Fund	19900	\$ 70,950	General Fund	19900	\$ 1,300,900
State Parks	20010	124,144	State Parks	20010	435,827
Emergency Fire Disaster	21300	1,632,379	Emergency Fire Disaster	21300	101,517
Capital Projects – STB	50900	384,852	Conservation Planting Revolving	32100	106
Capital Projects – GGRT	64600	100,000	Capital Projects – STB	50900	444,721
Inmate Work Camp	95600	<u>31,079</u>	ARRA	89000	<u>16,961</u>
Total – Governmental Funds		2,343,404			2,300,032
Fiduciary Funds:					
GGRT Suspense Fund	77400	<u>51,276</u>	Boat Suspense Fund	77300	<u>94,648</u>
Total All Funds		\$ <u>2,394,680</u>			\$ <u>2,394,680</u>

The due to/due from other funds arise when transactions occur in one fund that are partially attributable to another fund or funds. All transfers were made for operational activity purposes. All balances are expected to be paid within one year.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

8. 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.

A. Due From Other State Agencies

Due from Other State Agencies	Fund No.	Amount	Due from Agency/Fund	Fund No.	Amount
General Fund	19900	\$ 499,324	Environment Department	34100	\$ 499,324
State Parks	20010	430,184	TRD for PIT – Kids in Park	81900	1,130
			TRD – Trans & MVD Suspense	82500	77,685
			TRD – TAA Suspense	82800	1,167
			Game & Fish – Game Protection	19800	350,202
Emergency Fire/Insect & Disaster	21300	750,000	DFA – Board of Finance Executive Order	85400	750,000
Motor Boat Fuel Tax Fund	30900	19,745	TRD-TAA Suspense	82800	19,745
Oil Reclamation Fund	31100	169,901	TRD-Oil & Gas Acct. Suspense	83300	169,901
PVE-Stripper Well	31600	2	STO-Interest on State Deposits	80100	2
Conservation Planting	32100	1,750	TRD-Income Tax Suspense	81900	1,750
Capital Projects-GF/STB	50900	773,933	DFA-Severance Tax Bonds	01900	442,890
			DFA-Severance Tax Bonds	60900	104,410
			DFA-Severance Tax Bonds	60910	129,013
			DFA-Appropriation Account	85300	97,620
Capital Projects-GGRT	64600	352,020	TRD-CRS TAA Suspense-Trims	83200	352,020
State Reclamation Trust	65600	<u>690</u>	STO-Interest on State Deposits	80100	<u>690</u>
 Total Governmental Funds		 2,997,549			 2,997,549
 Agency Funds:					
Boat Suspense Fund	77300	189,296	TRD-Trans. & MVD Suspense	82500	189,296
Oil Disposition Holding Fund	89100	<u>3</u>	STO-Interest on State Deposits	80100	<u>3</u>
 Total All Funds		 \$ <u>3,186,848</u>			 \$ <u>3,186,848</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

8. DUE FROM AND DUE TO OTHER STATE AGENCIES - continued

A. Due To Other State Agencies

<u>Transfers to Other State Agencies</u>	<u>Fund No.</u>	<u>Amount</u>	<u>Due to Agency/Fund</u>	<u>Fund No.</u>	<u>Amount</u>
General Fund	19900	\$ 569,308	Department of Health (WIPP)	06104	\$ 80,892
			Department of Cultural Affairs	19305	31,373
			Environment Department (WIPP)	06400	54,854
			Dept. of Public Safety (WIPP)	12804	172,125
			DHSEM (WIPP)	20054	58,483
			Public Regulation Comm. (WIPP)	55000	171,581
Emergency Fire/Insect & Disaster	21300	30,044	Department of Corrections-IWC	90700	30,044
ARRA Fund	89000	<u>578,443</u>	Department of Transportation	89000	29,922
			RLD-ARRA	89000	39,105
			GSD-ARRA	89000	318,568
			Department of Cultural Affairs	89000	<u>190,848</u>
Total – Governmental Funds		1,777,795			1,777,795
Agency Funds:					
Boat Suspense	77300	94,648	DFA–Appropriation Account	85300	94,648
GGRT Suspense	77400	<u>51,276</u>	TRD-Gross Receipts Tax	70700	<u>51,276</u>
Total Agency Funds		<u>145,924</u>			<u>145,924</u>
Total All Funds		\$ <u>1,323,719</u>			\$ <u>1,323,719</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

9. TRANSFERS - continued

Interagency and interfund transfers as of June 30, 2010 were as follows:

A. Transfers In From Other State Agencies

<u>Transfers to (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>	<u>Transfers from (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>
Oil Reclamation Fund (bond forfeitures & sev. tax)	31100	\$ 1,907,699	TRD/Oil & Gas Reclamation	83300	\$ 1,907,699
Capital Projects-GF/STB (severance taxes)	50900	3,123,419	Dept. of Finance & Administration	01900	411,356
				10740	44,603
				60900	790,405
				60910	1,583,140
				66400	35,030
				96850	258,885
General Fund	19900	13,475,600	Dept. of Finance & Administration	85300	13,475,600
State Parks (State General Fund Appropriation)	20010	11,375,200	Dept. of Finance & Administration	85300	11,375,200
Emergency Fire/Insect & Disaster (Governor's Executive Orders)	21300	8,250,000	Dept. of Finance & Administration	85400	8,250,000
General Fund (Water Qual. Permits)	19900	75,701	Environment Department	34100	75,701
State Parks	20010	<u>350,202</u>	Department of Game and Fish:		
			(Dingell-Johnson)	19800	315,000
			(Waste disposal)	19800	<u>35,202</u>
Total – Governmental Funds		\$ <u>38,557,821</u>			\$ <u>38,557,821</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements – continued

9. TRANSFERS – continued

B. Transfers Out To Other State Agencies

<u>Transfers from (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>	<u>Transfers to (purpose)</u>	<u>Fund No.</u>	<u>Amount</u>
General Fund	19900	\$ 1,147,838	Environment Department (Undergrnd. Water Source Prot.)	06400	\$ 99,090
			Department of Health	06104	128,931
			Environment Department	06400	158,891
			Department of Public Safety	12804	397,509
			Dept. of Homeland Security	20054	157,375
			Public Regulation Comm. (WIPP)	55000	206,042
		828,372	DFA-Reversions	85300	828,372
State Parks Fund	20010	634,260	DFA-Reversions	85300	634,260
Emergency Fire Disaster Fund	21300	755,151	DFA-Reversions	85300	755,151
Oil Reclamation Fund	31100	500,000	DFA-Appropriation Account (HB3, Laws of 2009)	85300	500,000
Capital Projects GF/STB	50900	1,653,356	DFA-Reversions	85300	1,653,356
Mining Act Fund	56600	150,000	DFA-Appropriation Account (HB3, Laws of 2009)	85300	150,000
Hardrock Mining Reg. Prog.	73100	100,000	DFA-Appropriation Account (HB3, Laws of 2009)	85300	100,000
ARRA of 2009	89000	<u>2,795,426</u>	Dept. of Cultural Affairs	89000	206,848
			Dept. of Transportation	89000	1,272,959
			General Services Dept.	89000	1,276,513
			Regulation & Licensing Dept.	89000	<u>39,106</u>
Total – Governmental Funds		\$ <u>8,564,403</u>			\$ <u>8,564,403</u>

Transfers were made for operational activity purposes between individual funds.

C. Interfund Transfers

<u>Interfund Transfers Out</u>	<u>Interfund Transfers In</u>		
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
State Parks	\$ 134,303	-	134,303
Youth Conservation Corps	50,000	-	50,000
Emergency Fire Disaster Fund	126,479	-	126,479
Capital Projects – GF/STB	-	273,268	273,268
Capital Projects – GGRT	-	<u>2,305,000</u>	<u>2,305,000</u>
Total	\$ <u>310,782</u>	<u>2,578,268</u>	<u>2,889,050</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

10. SPECIAL APPROPRIATIONS AND GOVERNOR'S EXECUTIVE ORDERS

The Governor issued executive orders during the 2010 fiscal year to fund the Emergency Fire Disaster Program (21300). Any unexpended or unencumbered amounts revert in the subsequent fiscal year. The Department requested and received \$8,250,000 during the 2010 fiscal year.

11. 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.

• **Funding Policy**

Plan members are required to contribute 8.92% of their gross salary. The Department is required to contribute 15.09% of the gross covered salary. The contribution requirements of plan members and the Department are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to PERA for the fiscal years ending June 30, 2010, 2009 and 2008 were \$2,934,685, \$3,481,618 and \$3,213,778, respectively, which equal the amount of the required contributions for each fiscal year.

12. 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

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

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

• **Plan Description - continued**

amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

• **Funding Policy**

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

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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

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

• **Funding Policy - continued**

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

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

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3,4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	2.084%	1.042%
FY12	2.292%	1.146%
FY13	2.500%	1.250%

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

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

The Department's contributions to the RHCA for the years ended June 30, 2010, 2009 and 2008 were \$259,715, \$262,715 and \$247,291, respectively, which equal the required contributions for each year.

13. OPERATING LEASE COMMITMENT

The Department leases certain equipment and premises under numerous operating leases. Leases are subject to future appropriation and as such are cancelable by the Department at the end of a fiscal year. Rental expense for the year ended June 30, 2010 was \$339,286.

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, 2010.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

13. OPERATING LEASE COMMITMENT - continued

Years ending June 30:	<u>Lease Amounts</u>
2011	\$ 78,103
2012	68,483
2013	13,507
2014	7,379
2015	<u>1,252</u>
	\$ <u>168,724</u>

14. CONTINGENT LIABILITIES (CLAIMS AND JUDGMENTS)

The Department, as a State Agency defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the General Services Department of the State of New Mexico. The Office of Risk Management Division pays annual premiums for coverage provided in the following areas:

- Liability and civil rights protection for claims made by others against the State of New Mexico;
- Coverage to protect the State of New Mexico's property and assets; and
- Fringe benefit coverage for State of New Mexico employees.

In the case of civil actions or claims against the Department for financial damages, the Department's certificate of insurance with Risk Management does not cover claims for back wages but does cover civil rights claims for other compensatory damages.

15. RISK MANAGEMENT

The Department is exposed to various risks of loss for which the Department carries insurance with the State of New Mexico Risk Management Division (i.e., auto, employee fidelity bond, general liability, civil rights and foreign jurisdiction, money and securities, property and workers' compensation).

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

16. FUND BALANCE AND NET ASSET RESTATEMENTS

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

Fund balance – Fund 20010: In prior years, special appropriations recognized in the State Parks fund were overstated. The revenue was generated in the Capital Projects fund; balances were corrected in fiscal year 2010.

As a result of the restatement, the June 30, 2009 fund balance in the State Parks fund was decreased by \$384,852.

Fund balance – Fund 50900: In prior years, special appropriations in the Capital Projects fund were understated. The revenue was recognized in the State Parks fund; balances were corrected in fiscal year 2010.

As a result of the restatement, the June 30, 2009 fund balance in the Capital Projects fund was increased by \$384,852.

		<u>State Parks Fund-20100</u>	<u>Capital Projects Fund-50900</u>
Fund balance as originally reported, June 30, 2009	\$	5,583,301	4,665,670
Restatement		<u>(384,852)</u>	<u>384,852</u>
Fund balance, June 30, 2009, restated	\$	<u>5,198,449</u>	<u>5,050,522</u>

Net assets: Due to these restatements, the net effect on net assets was \$0.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Notes to Financial Statements - continued

17. SPECIAL APPROPRIATIONS

The following is a summary of special appropriations received by the Department as of June 30, 2010.

	<u>Prior Year Appropriation</u>	<u>Expenditures Inception to June 30, 2010</u>	<u>Encumbrance Balance as of June 30, 2010</u>	<u>Reversion Amount</u>	<u>Balance as of June 30, 2010</u>
General Fund:					
Laws 2009, Ch. 124, Sec. 5 (38)	\$ 30,000	30,000	-	-	-
Special Revenue Funds:					
Laws 2008, Ch. 3, Sec. 5 (53)	300,000	296,940	-	3,060	-
Laws 2009, Ch. 124, Sec. 5 (35)	250,000	-	-	-	250,000
Laws 2009, Ch. 124, Sec. 5 (37)	200,000	-	-	-	200,000
Laws 2009, Ch. 124, Sec. 5 (36)	120,000	95,000	-	-	25,000
Fiduciary Funds:					
Laws 2009, Ch. 124, Sec. 5 (36)	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>1,150,000</u>	<u>671,940</u>	<u>-</u>	<u>3,060</u>	<u>475,000</u>

18. NEW PRONOUNCEMENTS

Effective for fiscal years beginning after June 15, 2010, *GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions*, will provide modifications to, and additional types of, fund balance classifications. This statement will enhance the usefulness of fund balance information to provide more consistency among the classifications and will establish reporting standards for all governments that report governmental funds.

Effective for fiscal years beginning after June 15, 2010, *GASB 59, Financial Instruments Omnibus*, will update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. This statement provides for the following amendments:

- National Council on Governmental Accounting Statement 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, is updated to be consistent with the amendments to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, regarding certain financial guarantees.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Notes to Financial Statements - continued

19. NEW PRONOUNCEMENTS - continued

- Statements No. 25, *Financial Reporting for Defined Benefit Pensions Plans and Note Disclosures for Defined Contribution Plans*, and No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, are amended to remove the fair value exemption for unallocated insurance contracts. The effect of this amendment is that investments in unallocated insurance contracts should be reported as interest-earning investment contracts according to the provisions of paragraph 8 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.
- Statement 31 is clarified to indicate that a 2a7-like pool, as described in Statement 31, is an external investment pool that operates in conformity with the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended.
- Statement No. 40, *Deposit and Investment Risk Disclosures*, is amended to indicate that interest rate risk information should be disclosed only for debt investment pools – such as bond mutual funds and external bond investment pools – that do not meet the requirements to be reported as a 2a7-like pool.

Statement 53 is amended to:

- Clarify that the net settlement characteristic of Statement 53 that defines a derivative instrument is not met by a contract provision for a penalty payment for nonperformance.
- Provide that financial guarantee contracts included in the scope of Statement 53 are limited to financial guarantee contracts that are considered to be *investment* derivative instruments entered into primarily for the purpose of obtaining income or profit.
- Clarify that certain contracts based on specific volumes of sales or service revenues are excluded from the scope of Statement 53.
- Provide that one of the “leveraged yield” criteria of Statement 53 is met if the initial rate of return on the companion instrument has the potential for at least a doubled yield.

Although early implementation is encouraged, the State of New Mexico has decided to implement this new pronouncement for fiscal year ending June 30, 2011. The impact on the Department's financial statements has not yet been determined.

SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

**GENERAL FUND -
ENERGY EFFICIENCY (RENEWABLE ENERGY)**

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES:				
State General Fund appropriation:				
Regular	\$ 1,282,000	1,282,000	1,282,000	-
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	370,200	370,200	134,363	(235,837)
Other financing sources	-	-	-	-
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ <u>1,652,200</u>	<u>1,652,200</u>	1,416,363	<u>(235,837)</u>
EXPENDITURES:				
Personal services and benefits	\$ 1,356,300	1,356,300	1,200,027	156,273
Contractual Services	189,300	189,300	64,295	125,005
Other costs	106,600	106,600	82,351	24,249
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ <u>1,652,200</u>	<u>1,652,200</u>	1,346,673	<u>305,527</u>
NON-BUDGETED ITEMS				
Reversions			(69,690)	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>-</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis) - continued**

YEAR ENDED JUNE 30, 2010

**GENERAL FUND -
FORESTRY**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
REVENUES:				
State General Fund appropriation:				
Regular	\$ 3,692,000	3,692,000	3,692,000	-
Special	-	-	-	-
Other state funds	30,600	30,600	35,246	4,646
Federal funds	11,571,200	11,571,200	6,073,234	(5,497,966)
Other financing sources	-	150,000	126,479	(23,521)
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ <u>15,293,800</u>	<u>15,443,800</u>	9,926,959	<u>(5,516,841)</u>
EXPENDITURES:				
Personal services and benefits	\$ 4,568,000	4,718,000	4,282,265	435,735
Contractual Services	3,263,000	3,263,000	1,004,158	2,258,842
Other costs	7,462,800	7,462,800	4,241,101	3,221,699
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ <u>15,293,800</u>	<u>15,443,800</u>	9,527,524	<u>5,916,276</u>
NON-BUDGETED ITEMS:				
Reversions			(348,075)	
Timing difference related to accounts payable			(51,360)	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>-</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis) - continued**

YEAR ENDED JUNE 30, 2010

**GENERAL FUND -
MINE RECLAMATION PROGRAM**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
REVENUES:				
State General Fund appropriation:				
Regular	\$ 605,200	605,200	605,200	-
Special	-	-	-	-
Other state funds	-	-	373	373
Federal funds	5,053,400	5,111,700	3,232,744	(1,878,956)
Other financing sources	-	-	-	-
Fund balance rebudgeted	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
TOTAL REVENUES	\$ <u>5,688,600</u>	<u>5,746,900</u>	3,838,317	<u>(1,908,583)</u>
EXPENDITURES:				
Personal services and benefits	\$ 2,185,000	2,185,000	1,968,075	216,925
Contractual Services	3,057,800	3,116,100	1,517,516	1,598,584
Other costs	445,800	445,800	349,952	95,848
Other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	\$ <u>5,688,600</u>	<u>5,746,900</u>	3,835,543	<u>1,911,357</u>
NON-BUDGETED ITEMS:				
Reversions			<u>(32,774)</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>(30,000)</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis) - continued**

YEAR ENDED JUNE 30, 2010

**GENERAL FUND -
VOLUNTARY COMPLIANCE (OIL & GAS CONS.)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
REVENUES:				
State General Fund appropriation:				
Regular	\$ 4,369,500	4,369,500	4,369,500	-
Special	-	-	-	-
Other state funds	699,100	699,100	14,558	(684,542)
Federal funds	361,600	361,600	297,538	(64,062)
Other financing sources	128,500	448,500	75,700	(372,800)
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ <u>5,558,700</u>	<u>5,878,700</u>	4,757,296	<u>(1,121,404)</u>
EXPENDITURES:				
Personal services and benefits	\$ 4,073,500	4,418,500	3,790,919	627,581
Contractual Services	161,200	172,200	93,995	78,205
Other costs	1,205,600	1,169,600	655,684	513,916
Other financing uses	<u>118,400</u>	<u>118,400</u>	<u>99,090</u>	<u>19,310</u>
TOTAL EXPENDITURES	\$ <u>5,558,700</u>	<u>5,878,700</u>	4,639,688	<u>1,239,012</u>
NON-BUDGETED ITEMS:				
Reversions			<u>(184,908)</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>(67,300)</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis) - continued**

YEAR ENDED JUNE 30, 2010

	GENERAL FUND - PROGRAM SUPPORT			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget Positive (Negative)</u>
REVENUES:				
State General Fund appropriation:				
Regular	\$ 3,526,900	3,526,900	3,526,900	-
Special	-	-	-	-
Other state funds	-	-	1,290	1,290
Federal funds	2,482,800	2,482,800	1,803,349	(679,451)
Other financing sources	213,800	213,800	184,304	(29,496)
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ <u>6,223,500</u>	<u>6,223,500</u>	5,515,843	<u>(707,657)</u>
EXPENDITURES:				
Personal services and benefits	\$ 3,969,200	3,939,200	3,626,344	312,856
Contractual Services	18,100	18,100	15,847	2,253
Other costs	624,600	654,600	631,979	22,621
Other financing uses	<u>1,611,600</u>	<u>1,611,600</u>	<u>1,048,748</u>	<u>562,852</u>
TOTAL EXPENDITURES	\$ <u>6,223,500</u>	<u>6,223,500</u>	5,322,918	<u>900,582</u>
NON-BUDGETED ITEMS:				
Reversions			<u>(192,925)</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>-</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis) - continued**

YEAR ENDED JUNE 30, 2010

EMNRD CAPITAL PROJECTS GGRT

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES:				
Gross receipts tax	\$ 3,600,000	3,600,000	4,221,236	621,236
Other state funds	-	-	-	-
Fund balance rebudgeted	<u>1,000,000</u>	<u>1,375,000</u>	<u>-</u>	<u>(1,375,000)</u>
TOTAL REVENUES	\$ <u>4,600,000</u>	<u>4,975,000</u>	4,221,236	<u>(753,764)</u>
EXPENDITURES:				
Personal services and benefits	\$ -	-	-	-
Contractual Services	50,000	50,000	23,522	26,478
Other costs	2,245,000	2,620,000	2,076,066	543,934
Other financing uses	<u>2,305,000</u>	<u>2,305,000</u>	<u>2,305,000</u>	<u>-</u>
TOTAL EXPENDITURES	\$ <u>4,600,000</u>	<u>4,975,000</u>	4,404,588	<u>570,412</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			 \$ <u>(183,352)</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Modified Accrual Basis) - continued**

YEAR ENDED JUNE 30, 2010

	DEBT SERVICE FUND			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Debt proceeds	\$ -	-	842,647	842,647
Interest on investments	-	-	21,444	21,444
Other financing sources	<u>2,305,000</u>	<u>2,305,000</u>	<u>2,578,268</u>	<u>273,268</u>
TOTAL REVENUES	\$ <u>2,305,000</u>	<u>2,305,000</u>	3,442,359	<u>1,137,359</u>
EXPENDITURES:				
Other costs	\$ <u>2,305,000</u>	<u>2,305,000</u>	<u>2,289,621</u>	<u>15,379</u>
TOTAL EXPENDITURES	\$ <u>2,305,000</u>	<u>2,305,000</u>	<u>2,289,621</u>	<u>15,379</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>1,152,738</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS
AND NATURAL RESOURCES DEPARTMENT**

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

AS OF JUNE 30, 2010

	Special Revenue Funds	Capital Projects GF/STB Fund 50900	Total
ASSETS:			
Cash and cash equivalents	\$ -	-	-
Investment in State Treasurer General			
Fund Investment Pool	6,231,592	-	6,231,592
Receivables:			
Due from other funds	31,079	384,852	415,931
Due from other state agencies	191,398	773,933	965,331
Other receivables	32,464	-	32,464
Federal government	-	-	-
Prepaid Expense	-	-	-
TOTAL ASSETS	\$ <u>6,486,533</u>	<u>1,158,785</u>	<u>7,645,318</u>
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable	\$ 2,077,182	432,385	2,509,567
Accrued payroll	32,783	-	32,783
Deferred Revenue	-	-	-
Due to State General Fund	-	11,528	11,528
Due to other state agencies	-	-	-
Due to Fiduciary funds	106	-	106
Due to other funds	-	444,721	444,721
TOTAL LIABILITIES	2,110,071	888,634	2,998,705
FUND BALANCE (DEFICIT):			
Reserved for encumbrances	-	108,083	108,083
Reserved for capital projects	-	162,068	162,068
Debt service	-	-	-
Unreserved-undesignated (deficit)	<u>4,376,462</u>	-	<u>4,376,462</u>
TOTAL FUND BALANCES	<u>4,376,462</u>	<u>270,151</u>	<u>4,646,613</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>6,486,533</u>	<u>1,158,785</u>	<u>7,645,318</u>

See Independent Auditors' Report.

**STATE OF NEW MEXICO ENERGY, MINERALS
AND NATURAL RESOURCES DEPARTMENT**

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

YEAR ENDED JUNE 30, 2010

	<u>Special Revenue Funds</u>	<u>Capital Projects GF/STB Fund 50900</u>	<u>Total</u>
REVENUES:			
Interest	\$ 15	-	15
Federal funds	-	-	-
Gross receipts tax	3,073,987	-	3,073,987
Gasoline tax	193,983	-	193,983
Other	<u>1,551,223</u>	<u>149,940</u>	<u>1,701,163</u>
TOTAL REVENUES	<u>4,819,208</u>	<u>149,940</u>	<u>4,969,148</u>
EXPENDITURES:			
Current:			
Renewal Energy Program	-	-	-
Healthy Forests Program	384,562	-	384,562
State Parks Program	14,494	3,087,029	3,101,523
Mine Reclamation Program	772,879	-	772,879
Oil & Gas Conservation Program	3,002,777	-	3,002,777
Program Support	-	-	-
Conservation	2,950,572	-	2,950,572
Capital outlay	197,601	3,040,077	3,237,678
Debt service-principal	-	-	-
Debt service-interest	-	-	-
Debt service-miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 7,322,885</u>	<u>6,127,106</u>	<u>13,449,991</u>

**STATE OF NEW MEXICO ENERGY, MINERALS
AND NATURAL RESOURCES DEPARTMENT**

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

YEAR ENDED JUNE 30, 2010

	Special Revenue Funds	Capital Projects GF/STB Fund 50900	Total
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (2,503,677)	(5,977,166)	(8,480,843)
OTHER FINANCING SOURCES (USES):			
Bond proceeds - severance tax	-	3,123,419	3,123,419
Proceeds from issuance of debt	-	-	-
Transfers in	1,907,699	-	1,907,699
Transfers out	(800,000)	(273,268)	(1,073,268)
Reversions-FY10	-	(1,653,356)	(1,653,356)
TOTAL OTHER FINANCING SOURCES (USES):	<u>1,107,699</u>	<u>1,196,795</u>	<u>2,304,494</u>
NET CHANGE IN FUND BALANCES	(1,395,978)	(4,780,371)	(6,176,349)
FUND BALANCES, BEGINNING OF YEAR	5,772,440	4,665,670	10,438,110
RESTATEMENT	-	384,852	384,852
FUND BALANCE BEGINNING OF YEAR, RESTATED	<u>5,772,440</u>	<u>5,050,522</u>	<u>10,822,962</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,376,462</u>	<u>270,151</u>	<u>4,646,613</u>

AS OF JUNE 30, 2010

	Motor Boat Fuel Tax Fund 30900	Oil Reclamation Fund 31100	Natural Lands Protection Fund 20000	Conservation Planting Revolving Fund 32100
ASSETS:				
Investment in State Treasurer				
General Fund Investment Pool	\$ 176,018	1,801,209	11,954	62,062
Receivables:				
Due from other funds	-	-	-	-
Due from other state agencies	19,745	169,901	-	1,750
Other	-	3,803	-	661
Federal government	-	-	-	-
Prepaid expenses	-	-	-	-
TOTAL ASSETS	\$ <u>195,763</u>	<u>1,974,913</u>	<u>11,954</u>	<u>64,473</u>
LIABILITIES:				
Accounts payable	\$ 85,000	794,456	-	25,189
Accrued payroll	-	-	-	-
Deferred Revenue				
Due to other state agencies	-	-	-	-
Due to fiduciary fund	-	-	-	106
Due to other funds	-	-	-	-
TOTAL LIABILITIES	85,000	794,456	-	25,295
FUND BALANCES:				
Unreserved, undesignated (deficit)	<u>110,763</u>	<u>1,180,457</u>	<u>11,954</u>	<u>39,178</u>
TOTAL FUND BALANCES	<u>110,763</u>	<u>1,180,457</u>	<u>11,954</u>	<u>39,178</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>195,763</u>	<u>1,974,913</u>	<u>11,954</u>	<u>64,473</u>

STATE OF NEW MEXICO ENERGY, MINERALS
AND NATURAL RESOURCES DEPARTMENT

Combining Balance Sheet -
Non-Major Special Revenue Funds

Forest Land Protection Fund 32200	Petroleum Violation Escrow Funds - Stripper Well 31600	Petroleum Violation Escrow Funds - Exxon 31400	Petroleum Violation Escrow Funds - Diamond Shamrock 31500	Petroleum Violation Escrow Funds - Warner 31700	Petroleum Violation Escrow Funds - Chevron 31000
1,321	11,912	-	-	-	-
-	-	-	-	-	-
-	2	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,321</u>	<u>11,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,321</u>	<u>11,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,321</u>	<u>11,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,321</u>	<u>11,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

AS OF JUNE 30, 2010

	Petroleum Violation Escrow Funds - Second Stage 31800	Surface Mining Permit Fees Fund 31900	New Mexico Mining Act Penalty Fund 73100	Surface Mining Penalty Fund 32000
ASSETS:				
Investment in State Treasurer				
General Fund Investment Pool	\$ -	93,705	124,318	3,604
Receivables:				
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Other	-	-	-	-
Federal government	-	-	-	-
Prepaid expenses	-	-	-	-
TOTAL ASSETS	\$ -	93,705	124,318	3,604
LIABILITIES:				
Accounts payable	\$ -	285	120,493	-
Accrued payroll	-	-	-	519
Deferred Revenue	-	-	-	-
Due to other state agencies	-	-	-	-
Due to fiduciary fund	-	-	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	-	285	120,493	519
FUND BALANCES:				
Unreserved, undesignated (deficit)	-	93,420	3,825	3,085
TOTAL FUND BALANCES	-	93,420	3,825	3,085
TOTAL LIABILITIES AND FUND BALANCES	\$ -	93,705	124,318	3,604

**STATE OF NEW MEXICO ENERGY, MINERALS
AND NATURAL RESOURCES DEPARTMENT**

**Combining Balance Sheet -
Non-Major Special Revenue Funds - continued**

<u>New Mexico Mining Act Fund 56600</u>	<u>Inmate Work Camp Fund 95600</u>	<u>Energy Efficiency Assessment Fund 20150</u>	<u>Youth Conservation Corps 01400</u>	<u>Total</u>
357,046	261,050	500,000	2,827,393	6,231,592
-	31,079	-	-	31,079
-	-	-	-	191,398
-	28,000	-	-	32,464
-	-	-	-	-
-	-	-	-	-
<u>357,046</u>	<u>320,129</u>	<u>500,000</u>	<u>2,827,393</u>	<u>6,486,533</u>
1,924	9,674	-	1,040,161	2,077,182
21,374	901	-	9,989	32,783
-	-	-	-	-
-	-	-	-	106
-	-	-	-	-
23,298	10,575	-	1,050,150	2,110,071
<u>333,748</u>	<u>309,554</u>	<u>500,000</u>	<u>1,777,243</u>	<u>4,376,462</u>
<u>333,748</u>	<u>309,554</u>	<u>500,000</u>	<u>1,777,243</u>	<u>4,376,462</u>
<u>357,046</u>	<u>320,129</u>	<u>500,000</u>	<u>2,827,393</u>	<u>6,486,533</u>

YEAR ENDED JUNE 30, 2010

	Motor Boat Fuel Tax Fund 30900	Oil Reclamation Fund 31100	Natural Lands Protection Fund 20000
REVENUES:			
Interest	\$ -	-	-
Other state funds	-	-	-
Federal funds	-	-	-
Gross receipt taxes	-	-	-
Gasoline tax	193,983	-	-
Other	-	426,742	-
TOTAL REVENUES	<u>193,983</u>	<u>426,742</u>	<u>-</u>
EXPENDITURES:			
Renewal Energy Program	-	-	-
Healthy Forests Program	-	-	-
State Parks Program	14,494	-	-
Mine Reclamation Program	-	-	-
Oil & Gas Conservation Program	-	3,002,777	-
Program Support	-	-	-
Conservation	-	-	-
Capital Outlay	175,506	-	-
TOTAL EXPENDITURES	<u>190,000</u>	<u>3,002,777</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,983	(2,576,035)	-
OTHER FINANCING SOURCES (USES):			
Bond proceeds - severance tax	-	-	-
Transfers in	-	1,907,699	-
Transfers out	-	(500,000)	-
Reversions	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,407,699</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	3,983	(1,168,336)	-
FUND BALANCES, JUNE 30, 2009	<u>106,780</u>	<u>2,348,793</u>	<u>11,954</u>
FUND BALANCES, JUNE 30, 2010	\$ <u>110,763</u>	<u>1,180,457</u>	<u>11,954</u>

**STATE OF NEW MEXICO ENERGY, MINERALS
AND NATURAL RESOURCES DEPARTMENT**

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

Conservation Planting Revolving Fund 32100	Forest Land Protection Fund 32200	Petroleum Violation Escrow Funds - Stripper Well 31600	Petroleum Violation Escrow Funds - Exxon 31400	Petroleum Violation Escrow Funds - Diamond Shamrock 31500	Petroleum Violation Escrow Funds - Warner 31700
-	-	15	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
150,193	-	6,200	-	-	-
150,193	-	6,215	-	-	-
-	-	-	-	-	-
170,664	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
170,664	-	-	-	-	-
(20,471)	-	6,215	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(20,471)	-	6,215	-	-	-
59,649	1,321	5,699	-	-	-
39,178	1,321	11,914	-	-	-

YEAR ENDED JUNE 30, 2010	Petroleum Violation Escrow Funds - Chevron 31000	Petroleum Violation Escrow Funds - Second Stage 31800	Surface Mining Permit Fees Fund 31900	New Mexico Mining Act Penalty Fund 73100
REVENUES:				
Interest	\$ -	-	-	-
Other state funds	-	-	-	-
Federal funds	-	-	-	-
Gross receipt taxes	-	-	-	-
Gasoline tax	-	-	-	-
Other	-	-	137,552	3,100
TOTAL REVENUES	-	-	137,552	3,100
EXPENDITURES:				
Renewal Energy Program	-	-	-	-
Healthy Forests Program	-	-	-	-
State Parks Program	-	-	-	-
Mine Reclamation Program	-	-	34,005	86,000
Oil & Gas Conservation Program	-	-	-	-
Program Support	-	-	-	-
Conservation	-	-	-	-
Capital Outlay	-	-	22,095	-
TOTAL EXPENDITURES	-	-	56,100	86,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	81,452	(82,900)
OTHER FINANCING SOURCES (USES):				
Bond proceeds - severance tax	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(100,000)
Reversions	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(100,000)
NET CHANGE IN FUND BALANCES	-	-	81,452	(182,900)
FUND BALANCES, JUNE 30, 2009	-	-	11,968	186,725
FUND BALANCES, JUNE 30, 2010	\$ -	-	93,420	3,825

**STATE OF NEW MEXICO ENERGY, MINERALS
AND NATURAL RESOURCES DEPARTMENT**

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

Surface Mining Penalty Fund 32000	New Mexico Mining Act Fund 56600	Inmate Work Camp Fund 95600	Energy Efficiency Assessment Fund 20150	Youth Conservation Corps 01400	Total
-	-	-	-	-	15
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	3,073,987	3,073,987
-	-	-	-	-	193,983
<u>2,920</u>	<u>600,184</u>	<u>224,332</u>	<u>-</u>	<u>-</u>	<u>1,551,223</u>
<u>2,920</u>	<u>600,184</u>	<u>224,332</u>	<u>-</u>	<u>3,073,987</u>	<u>4,819,208</u>
-	-	-	-	-	-
-	-	213,898	-	-	384,562
-	-	-	-	-	14,494
84,000	568,874	-	-	-	772,879
-	-	-	-	-	3,002,777
-	-	-	-	-	-
-	-	-	-	2,950,572	2,950,572
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,601</u>
<u>84,000</u>	<u>568,874</u>	<u>213,898</u>	<u>-</u>	<u>2,950,572</u>	<u>7,322,885</u>
(81,080)	31,310	10,434	-	123,415	(2,503,677)
-	-	-	-	-	-
-	-	-	-	-	1,907,699
-	(150,000)	-	-	(50,000)	(800,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>	<u>1,107,699</u>
(81,080)	(118,690)	10,434	-	73,415	(1,395,978)
<u>84,165</u>	<u>452,438</u>	<u>299,120</u>	<u>500,000</u>	<u>1,703,828</u>	<u>5,772,440</u>
<u>3,085</u>	<u>333,748</u>	<u>309,554</u>	<u>500,000</u>	<u>1,777,243</u>	<u>4,376,462</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Motor Boat Fuel Tax Fund -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other state funds	\$ 190,000	190,000	193,983	3,983
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ <u>190,000</u>	<u>190,000</u>	193,983	<u>3,983</u>
EXPENDITURES:				
Other costs	190,000	190,000	190,000	-
Other financing uses	\$ -	-	-	-
TOTAL EXPENDITURES	\$ <u>190,000</u>	<u>190,000</u>	<u>190,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>3,983</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Oil Reclamation Fund -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other state funds	\$ 3,600,000	3,600,000	-	(3,600,000)
Other	100,000	100,000	426,742	326,742
Other financing sources	-	-	1,907,699	1,907,699
Fund balance rebudgeted	<u>2,500,000</u>	<u>3,000,000</u>	<u>-</u>	<u>(3,000,000)</u>
TOTAL REVENUES	\$ <u>6,200,000</u>	<u>6,700,000</u>	2,334,441	<u>(4,365,559)</u>
EXPENDITURES:				
Personal services and benefits	\$ 300,000	400,000	332,375	67,625
Contractual Services	5,705,500	5,705,500	2,667,175	3,038,325
Other costs	194,500	94,500	3,227	91,273
Other financing uses	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
TOTAL EXPENDITURES	\$ <u>6,200,000</u>	<u>6,700,000</u>	<u>3,502,777</u>	<u>3,197,223</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>(1,168,336)</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Natural Lands Protection Fund -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other state funds	\$ -	-	-	-
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ -	-	-	-
EXPENDITURES:				
Other financing uses	\$ -	-	-	-
TOTAL EXPENDITURES	\$ -	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ -	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Conservation Planting Revolving Fund -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other state funds	\$ 180,000	180,000	130,826	(49,174)
Other	25,000	25,000	19,367	(5,633)
Fund balance rebudgeted	15,000	15,000	-	(15,000)
TOTAL REVENUES	\$ 220,000	220,000	150,193	(69,807)
EXPENDITURES:				
Personal services and benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other costs	220,000	220,000	170,664	49,336
TOTAL EXPENDITURES	\$ 220,000	220,000	170,664	49,336
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ (20,471)	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Forest Land Protection Fund -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other state funds	\$ -	-	-	
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ -	-	-	-
EXPENDITURES:				
Other financing uses	\$ -	-	-	-
TOTAL EXPENDITURES	\$ -	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ -	

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Petroleum Violation Escrow Funds - Stripper Well -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ -	-	15	15
Other state funds	-	-	-	-
Federal funds	-	-	-	-
Other	-	-	6,200	6,200
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ -	-	6,215	6,215
EXPENDITURES:				
Contractual services	\$ -	-	-	-
Other costs	-	-	-	-
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ -	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ 6,215	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Petroleum Violation Escrow Funds - Exxon -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

****Fund Closed****

YEAR ENDED JUNE 30, 2010

		Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
		Original	Final		
REVENUES:					
Interest on investments	\$	-	-	-	-
Fund balance rebudgeted		-	-	-	-
TOTAL REVENUES	\$	-----	-----	-	-----
EXPENDITURES:					
Other financing uses	\$	-	-	-	-
TOTAL EXPENDITURES	\$	-----	-----	-	-----
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES				\$ -----	

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Petroleum Violation Escrow Funds - Diamond Shamrock -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)

****Fund Closed****

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ -	-	-	-
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ -	-	-	-
EXPENDITURES:				
Other financing uses	\$ -	-	-	-
TOTAL EXPENDITURES	\$ -	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ -	

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Petroleum Violation Escrow Funds - Warner -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)

****Fund Closed****

YEAR ENDED JUNE 30, 2010

		Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
		Original	Final		
REVENUES:					
Interest on investments	\$	-	-	-	-
Fund balance rebudgeted		-	-	-	-
TOTAL REVENUES	\$	-	-	-	-
EXPENDITURES:					
Other financing uses	\$	-	-	-	-
TOTAL EXPENDITURES	\$	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES				\$ -	

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Petroleum Violation Escrow Funds - Chevron -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)

****Fund Closed****

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ -	-	-	-
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ -	-	-	-
EXPENDITURES:				
Other financing uses	\$ -	-	-	-
TOTAL EXPENDITURES	\$ -	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ -	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Petroleum Violation Escrow Funds - Second Stage -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

****Fund Closed****

YEAR ENDED JUNE 30, 2010

		Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
		Original	Final		
REVENUES:					
Interest on investments	\$	-	-	-	-
Fund balance rebudgeted		-	-	-	-
TOTAL REVENUES	\$	-	-	-	-
EXPENDITURES:					
Other financing uses	\$	-	-	-	-
TOTAL EXPENDITURES	\$	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES				\$ -	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Surface Mining Permit Fees Fund -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other state funds	\$ 56,100	56,100	137,552	81,452
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ 56,100	56,100	137,552	81,452
EXPENDITURES:				
Personal services and benefits	21,200	21,200	21,200	-
Contractual services	9,000	9,000	9,000	-
Other costs	25,900	25,900	25,900	-
TOTAL EXPENDITURES	\$ 56,100	56,100	56,100	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ 81,452	

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

New Mexico Mining Act Penalty Fund -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other state funds	\$ -	-	3,100	3,100
Fund balance rebudgeted	<u>120,000</u>	<u>186,000</u>	<u>-</u>	<u>(186,000)</u>
TOTAL REVENUES	\$ <u>120,000</u>	<u>186,000</u>	3,100	<u>(182,900)</u>
EXPENDITURES:				
Personal services and benefits	\$ -	-	-	-
Contractual services	120,000	86,000	86,000	-
Other financing uses	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
TOTAL EXPENDITURES	\$ <u>120,000</u>	<u>186,000</u>	<u>186,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>(182,900)</u>	

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Surface Mining Penalty Fund -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other state funds	\$ -	-	2,920	2,920
Fund balance rebudgeted	<u>75,000</u>	<u>84,000</u>	-	<u>(84,000)</u>
TOTAL REVENUES	\$ <u>75,000</u>	<u>84,000</u>	2,920	<u>(81,080)</u>
EXPENDITURES:				
Personal services and benefits	\$ 75,000	75,000	75,000	-
Contractual services	<u>-</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
TOTAL EXPENDITURES	\$ <u>75,000</u>	<u>84,000</u>	<u>84,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>(81,080)</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**New Mexico Mining Act Fund -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other state funds	\$ 604,900	604,900	600,184	(4,716)
Fund balance rebudgeted	228,600	378,600	-	(378,600)
TOTAL REVENUES	\$ 833,500	983,500	600,184	(383,316)
EXPENDITURES:				
Personal services and benefits	\$ 631,500	631,500	534,128	97,372
Contractual services	-	-	-	-
Other costs	202,000	202,000	34,746	167,254
Other financing uses	-	150,000	150,000	-
TOTAL EXPENDITURES	\$ 833,500	983,500	718,874	264,626
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ (118,690)	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Inmate Work Camp Fund -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other state funds	\$ 235,500	235,500	224,332	(11,168)
Federal funds	-	-	-	-
Fund balance rebudgeted	225,000	225,000	-	(225,000)
TOTAL REVENUES	\$ 460,500	460,500	224,332	(236,168)
EXPENDITURES:				
Personal services and benefits	\$ 105,900	105,900	81,924	23,976
Contractual services	2,000	2,000	316	1,684
Other costs	352,600	352,600	131,658	220,942
TOTAL EXPENDITURES	\$ 460,500	460,500	213,898	246,602
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ 10,434	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Energy Efficiency Assessment Revolving Fund -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual) - Nonmajor Funds**

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
State General Fund appropriation	\$ -	-	-	-
Interest on investments	-	-	-	-
Other financing sources	-	-	-	-
TOTAL REVENUES	\$ -	-	-	-
EXPENDITURES:				
Contractual Services	\$ -	-	-	-
TOTAL EXPENDITURES	\$ -	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ -	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**Youth Conservation Corps -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES:				
Gross receipts tax	\$ 2,885,800	2,885,800	3,073,987	188,187
Other state funds	-	-	-	-
Other financing sources	979,300	979,300	-	(979,300)
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ <u>3,865,100</u>	<u>3,865,100</u>	3,073,987	<u>(791,113)</u>
EXPENDITURES:				
Personal services and benefits	\$ 149,300	189,300	179,598	9,702
Contractual services	3,605,400	3,531,240	2,696,954	834,286
Other costs	60,400	94,560	74,020	20,540
Other financing uses	50,000	50,000	50,000	-
TOTAL EXPENDITURES	\$ <u>3,865,100</u>	<u>3,865,100</u>	<u>3,000,572</u>	<u>864,528</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>73,415</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

**EMNRD Capital Projects GF/STB -
Statement of Revenues and Expenditures -
Budget and Actual (Modified Accrual Basis)**

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES:				
State General Fund appropriation				
Regular	\$ -	-	-	-
Special	-	-	-	-
Bond proceeds	-	-	-	-
Interest on investments	-	-	-	-
Other state funds	-	-	149,940	149,940
Federal funds	-	-	-	-
Other financing sources	-	3,326,901	3,123,419	(203,482)
Fund balance rebudgeted	<u>12,625,934</u>	<u>9,551,193</u>	<u>-</u>	<u>(9,551,193)</u>
TOTAL REVENUES	\$ <u>12,625,934</u>	<u>12,878,094</u>	3,273,359	<u>(9,604,735)</u>
EXPENDITURES:				
Personal services and benefits	\$ -	-	-	-
Contractual Services	1,379,652	1,363,385	676,481	686,904
Other costs	11,241,432	11,511,209	5,463,311	6,047,898
Other financing uses	<u>4,850</u>	<u>3,500</u>	<u>273,268</u>	<u>(269,768) *</u>
TOTAL EXPENDITURES	\$ <u>12,625,934</u>	<u>12,878,094</u>	6,413,060	<u>6,465,034</u>
NON-BUDGETED ITEMS				
Reversions			(1,653,356)	
Timing differences related to accounts payable			<u>12,686</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ <u>(4,780,371)</u>	

* Amounts have been reclassified for financial statement presentation, but were budgeted in the appropriate category

SUPPLEMENTAL SCHEDULES

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Fiduciary Funds - Agency

Schedule of Changes in Assets and Liabilities

Schedule 1

AS OF JUNE 30, 2010

	2009	Additions	Deletions	2010
PARKS AND RECREATION DIV.				
BOAT SUSPENSE FUND				
ASSETS:				
Cash and cash equivalents	\$ 154,108	1,071,096	1,225,204	-
Due from other state agencies	173,346	189,296	173,346	189,296
TOTAL ASSETS	\$ 327,454	1,260,392	1,398,550	189,296
LIABILITIES:				
Due to other funds	\$ 163,727	630,196	699,275	94,648
Due to state general fund	163,727	630,196	699,275	94,648
TOTAL LIABILITIES	\$ 327,454	1,260,392	1,398,550	189,296
GOVERNMENTAL GROSS RECEIPTS TAX SUSPENSE FUND				
ASSETS:				
Cash and cash equivalents	\$ -	201,083	201,083	-
Due from other funds	40,908	51,276	40,908	51,276
TOTAL ASSETS	\$ 40,908	252,359	241,991	51,276
LIABILITIES:				
Accounts Payable	-			-
Due to other state agencies	\$ 40,908	463,810	453,442	51,276
TOTAL LIABILITIES	\$ 40,908	463,810	453,442	51,276

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Fiduciary Funds - Agency

Schedule 1 - continued

Schedule of Changes in Assets and Liabilities - continued

AS OF JUNE 30, 2010

	2009	Additions	Deletions	2010
OIL DISPOSITION HOLDING FUND				
ASSETS:				
Cash	\$ 21,196	27	-	21,223
Interest Receivable	-	7	4	3
TOTAL ASSETS	\$ 21,196	34	4	21,226
LIABILITIES:				
Deposits held in custody for others	\$ 21,196	30	-	21,226
Due to other state agencies	-	-	-	-
TOTAL LIABILITIES	\$ 21,196	30	-	21,226
RENEWABLE ENERGY TRANSMISSION AUTHORITY				
ASSETS:				
Cash	\$ 250,000	250,000	500,000	-
TOTAL ASSETS	\$ 250,000	250,000	500,000	-
LIABILITIES:				
Due to other state agencies	\$ 250,000	250,000	500,000	-
TOTAL LIABILITIES	\$ 250,000	250,000	500,000	-

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Fiduciary Funds - Agency

Schedule 1 - continued

Schedule of Changes in Assets and Liabilities - continued

AS OF JUNE 30, 2010

	2009	Additions	Deletions	2010
ASSETS:				
Cash	\$ 425,304	1,522,206	1,926,287	21,223
Due from other funds	40,908	51,276	40,908	51,276
Interest receivable	-	7	4	3
Due from other state agencies	173,346	189,296	173,346	189,296
TOTAL ASSETS	\$ 639,558	1,762,785	2,140,545	261,798
LIABILITIES:				
Accounts payable	\$ -	-	-	-
Due to other funds	163,727	630,196	699,275	94,648
Due to other state agencies	290,908	713,810	953,442	51,276
Due to state general fund	163,727	630,196	699,275	94,648
Deposits held in custody for others	21,196	30	-	21,226
TOTAL LIABILITIES	\$ 639,558	1,974,232	2,351,992	261,798

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Schedule 2

Supplemental Schedule of Bank Accounts

YEAR ENDED JUNE 30, 2010

Bank Name Account Title	Account Type	State Treasurer Account Number	Bank Balance
Bank of the Southwest	20010 - State Parks	Checking N/A	\$ 33,531
1st National Bank of Clayton	20010 - State Parks	Checking N/A	1,695
Citizens Bank of Clovis	20010 - State Parks	Checking N/A	3,930
Wells Fargo - Alamogordo	20010 - State Parks	Checking N/A	493
Wells Fargo - Tucumcari	20010 - State Parks	Checking N/A	493
Wells Fargo - Las Vegas	20010 - State Parks	Checking N/A	493
Wells Fargo - Deming	20010 - State Parks	Checking N/A	493
Wells Fargo - Carlsbad	20010 - State Parks	Checking N/A	493
Wells Fargo - Carlsbad	20010 - State Parks	Checking N/A	493
Wells Fargo - Santa Rosa	20010 - State Parks	Checking N/A	455
1st National Bank of NM	20010 - State Parks	Checking N/A	465
My Bank - Belen	20010 - State Parks	Checking N/A	464
First Federal Bank	19900 - General Fund	Checking N/A	499
New Mexico State Treasurer	10290 - Agency	Checking 1029-521	-
	19900 - General Fund	Checking 199-521	-
	20000 - Special Revenue	Checking 2000-521	11,954
	20010 - Special Revenue	Checking 2001-521	4,379,930
	20150 - Special Revenue	Checking 2015-521	500,000
	21300 - Special Revenue	Checking 213-521	2,912,244
	30000 - Debt Service	Checking 300-521	1,420,057
	30900 - Special Revenue	Checking 309-521	176,018
	31000 - Special Revenue	Checking 310-521	-
	31100 - Special Revenue	Checking 311-521	1,801,209
	31400 - Special Revenue	Checking 314-521	-
	31500 - Special Revenue	Checking 315-521	-
	31600 - Special Revenue	Checking 316-521	11,912
	31700 - Special Revenue	Checking 317-521	-
	31800 - Special Revenue	Checking 318-521	-
	31900 - Special Revenue	Checking 319-521	93,705
	32000 - Special Revenue	Checking 320-521	3,604
	32100 - Special Revenue	Checking 321-521	62,062
	32200 - Special Revenue	Checking 322-521	<u>1,321</u>

New Mexico State Treasurer and area banks - page 1 total

11,418,013

See Independent Auditors' Report.

117

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Schedule 2 - continued

Supplemental Schedule of Bank Accounts - continued

YEAR ENDED JUNE 30, 2010

Bank Name Account Title	Account Type	State Treasurer Account Number	Bank Balance
New Mexico State Treasurer -			
continued			
50900 - Capital Projects	Checking	509-521	\$ -
56600 - Special Revenue	Checking	566-521	357,046
64600 - Capital Projects	Checking	646-521	2,539,147
65600 - Special Revenue	Checking	656-521	4,681,694
73100 - Special Revenue	Checking	731-521	124,318
77300 - Agency	Checking	773-521	-
77400 - Agency	Checking	774-521	-
77500 - Agency	Checking	775-521	-
89100 - Agency	Checking	891-521	21,223
95600 - Special Revenue	Checking	956-521	261,050
89000 - Special Revenue	Checking	890-521	-
01400 - YCC- Special Revenue		014-522	2,827,393
Bank of New York - Mellon			
30000 - Debt Service	Repurchase	N/A	3,038,214
50900 - Capital Projects	Repurchase	N/A	-
NM Finance Authority			
30000 - Bond Proceeds	Reserve	N/A	<u>143</u>
TOTAL BANK BALANCE OF CASH			25,268,241
RECONCILIATION OF BANK BALANCES			
TO CASH REPORTED ON THE			
STATEMENT OF NET ASSETS:			
Outstanding checks			(43,048)
Deposits in transit			48,741
Replenishments to be made			511
Agency funds			(21,233)
Petty cash on hand			<u>19,700</u>
TOTAL CASH BALANCE ON STATEMENT OF NET ASSETS			\$ <u>25,272,912</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Schedule 2 - continued

Supplemental Schedule of Bank Accounts - continued

YEAR ENDED JUNE 30, 2010

Agency	<u>Accounts at State Treasurer</u>	<u>BNY Mellon</u>	<u>All Other Banks</u>
Total amount of deposit	\$ 22,185,887	3,038,214	143
Less FDIC	<u>(250,000)</u>	<u>(250,000)</u>	<u>(143)</u>
Total uninsured public money	21,935,887	2,788,214	-
50% collateral requirement (A)	10,967,944	-	-
102% repurchase agreements collateral requirement (B)	<u>-</u>	<u>2,843,978</u>	<u>-</u>
Total pledged	<u>(10,967,944)</u>	<u>(2,843,978)</u>	<u>-</u>
Over (under) pledged	\$ <u><u>(10,967,944)</u></u>	<u><u>55,764</u></u>	<u><u>-</u></u>

(A) This amount is held at the Office of the State Treasurer and is detailed in the report of the Office of the State Treasurer, whose audit is covered by a separate report. Detail specific for the collateral is commingled by the Office of the State Treasurer, and they monitor the adequacy of the funds pledged for collateral to ensure they are fully covered as required by the Laws of the State of New Mexico and related statutes.

(B) Repurchase agreements are collateralized with securities backed by the full faith and credit of the U.S. Government at 102% of maturity value. The repurchase agreement is held in an American Performance Institutional U.S. Treasury Fund. The CUSIP number is 028846848. This fund is cumulative of all New Mexico State agency funds collateralized by the Bank of New York Mellon.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 3

Supplemental Schedule of Special (Emergency) Appropriations

Special emergency funds were appropriated due to the wildfires resulting from the dry conditions throughout the state in fiscal year 2010 (Note 10).

<u>Executive Order:</u>	<u>Amount</u>
2010-023	\$ 750,000
2010-015	1,500,000
2010-017/018	2,250,000
2010-020/021	1,500,000
2009-026-027	1,500,000
2009-015/016	<u>750,000</u>
	\$ <u>8,250,000</u>

No encumbrances were outstanding at the end of the fiscal year.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 4

Supplemental Schedule of Severance Tax Bond Proceeds

YEAR ENDED JUNE 30, 2010

The following is a list of the Department's severance tax bond proceeds for the Capital Projects GF/STB Fund 50900:

DFA Fund	Project Department	Appr. ID	Chapter	Laws	Section	30-Jun-09 Receivable	FY2010 Expenditures	FY2010 Receipts	Receivable Balance 30-Jun-10	Encumbrance Balance 30-Jun-10
1900	06-0133	STB06A	111	2006	10	\$ 15,320	403,899	419,220	-	-
1900	06-0530	STB06A	111	2006	20/2	-	7,457	-	7,457	-
60900	06-0561	STB06A	111	2006	20/4	4,158	20,513	24,225	446	1,729
60900	07-3714	STB08A-1	42	2007	14/2	-	35,029	-	35,029	-
60900	07-3716	STB08A-1	92	2008	12/1	44,737	478,530	286,784	236,483	320,508
60900	08-3065	STB08A-1	92	2008	12/2	350,000	-	350,000	-	-
60900	08-3066	STB08A-1	92	2008	12/3	115,699	259,101	372,494	2,306	294,407
60900	08-3067	STB08SA	92	2008	12/4	-	92,047	91,290	756	65,147
60910	08-3068	STB08SA	92	2008	12/5	86,332	945,354	849,298	182,388	407,123
60910	08-3069	STB08A-1	92	2008	12/6	155,269	578,001	576,472	156,797	-
60900	08-3070	STB08SD	92	2008	13	390,000	-	390,000	-	-
96850	08-3071	STB08SD	92	2008	13	-	258,885	248,837	10,048	10,608
	09-3001	STB09A	5	2009	2/B/2	-	-	-	-	-
	09-3013	STB08SD	5	2009	2/B/15	-	-	-	-	-
	09-3109	STB09A	125	2009	17/1	-	-	-	-	-
	09-3110	STB09A	125	2009	17/2	-	-	-	-	-
10740	09-3111	STB09A	125	2009	18	-	44,603	-	44,603	100,425
	09-3787	STB10A	7	2009	3/44	-	-	-	-	-
	10-1106	STB09A	105	2010	18/A/5	-	-	-	-	-
						\$ <u>1,161,515</u>	<u>3,123,419</u>	<u>3,608,620</u>	<u>676,313</u>	* <u>1,199,947</u>

* Refer to Note 8 for the break out of this severance tax bond proceeds receivable

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5

Joint Powers Agreements

YEAR ENDED JUNE 30, 2010

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

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
A & B Electronics Make improvements to approximately 4 miles of Pioneer Canyon Trail.	EMNRD	7/17/2003	12/31/2009	\$ 80,045	N/A	EMNRD
Albuquerque, City Of Allow City To Purchase Wildland Fire Safety Equipment	EMNRD	11/20/1997	12/31/9999	\$ -	N/A	EMNRD
Bureau Of Land Management Develop and maintain 6.4 miles of trail, including trailhead facilities, near Socorro.	EMNRD	6/2/2005	12/31/2009	\$ 46,900	N/A	EMNRD
Bureau Of Land Management Manage A 29.17 Acre Parcel Of Parks Land On The Rio Chama Wild And Scenic River Below El Vado Dam	EMNRD	9/24/1997	12/31/2010	\$ -	N/A	EMNRD
City of Alamogordo Conduct WUI and HAZ projects on city lands.	EMNRD	2/16/2006	12/31/9999	\$ 475,000	N/A	EMNRD
City of Alamogordo To develop a 2.3 mile trail at the Desert Foothills Park in Alamogordo.	EMNRD	2/20/2006	12/31/2009	\$ 32,000	N/A	EMNRD
City of Albuquerque Document EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	4/1/2008	12/31/9999	\$ -	N/A	EMNRD
City of Albuquerque Provide support to the City by using inmate crews to perform natural resource improvements to City property.	EMNRD	7/31/2003	12/31/9999	\$ -	N/A	EMNRD
City of Albuquerque Contractor shall act as agent in the purchase of the remaining lots in the Boca Negra Unit of the Petroglyph National Monument.	EMNRD	5/30/2001	12/31/9999	\$ 5,000,000	N/A	EMNRD
City Of Albuquerque Joint Effort By EMNRD, Albuquerque And NPS To Purchase Land For Indian Petroglyph	EMNRD	6/27/1990	12/31/9999	\$ 6,000,000	N/A	EMNRD
City of Artesia Document EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD
City Of Artesia For Wildfire Suppression In Lands Adjacent To City Of Artesia.	EMNRD	1/29/1993	12/31/9999	\$ -	N/A	EMNRD
City of Aztec Document EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	2/27/2008	12/31/9999	\$ -	N/A	EMNRD
City of Bayard Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	12/5/2008	12/31/9999	\$ -	N/A	EMNRD
City of Belen Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	2/27/2008	12/31/9999	\$ -	N/A	EMNRD
City of Bloomfield Wildfire suppression on lands adjacent to the City of Bloomfield.	EMNRD	1/29/2008	12/31/9999	\$ -	N/A	EMNRD
City of Bloomfield Documents EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/1/2006	12/31/9999	\$ -	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
City of Bloomfield Develop and improve 1.7 miles of trail along the San Juan River adjacent to the Bloomfield Sports Complex.	EMNRD	1/17/2006	12/31/2009	\$ 312,484	N/A	EMNRD
City of Carlsbad Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
City Of Carlsbad Develop 2.5 mile trail beginning at Living Desert State Park, continuing to NMSU-Carlsbad and then extending to the Heritage Park and Flue area.	EMNRD	11/5/1998	11/5/2023	\$ 75,848	N/A	EMNRD
City of Clovis Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
City Of Clovis Mutual Support Between Clovis And EMNRD For Wildland Fire Suppression On Land Adjacent To Clovis.	EMNRD	3/7/1996	12/31/9999	\$ -	N/A	EMNRD
City of Deming Vendor will construct a one and two-tenths miles of trails as part of the City's Country Club Trail System.	EMNRD	3/11/2009	12/31/2013	\$ 122,456	N/A	EMNRD
City of Elephant Butte Document's EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	9/28/2007	12/31/9999	\$ -	N/A	EMNRD
City of Elephant Butte Document EMNRD's and City's commitment to wildland fire suppression.	EMNRD	12/5/2006	12/31/9999	\$ -	N/A	EMNRD
City of Elephant Butte Mutual support between EMNRD and Elephant Butte for wildland fire suppression on lands adjacent to the City.	EMNRD	1/31/2002	12/31/9999	\$ -	N/A	EMNRD
City of Espanola Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	1/15/2008	12/31/9999	\$ -	N/A	EMNRD
City of Espanola Joint effort for wildland fire suppression near populated areas.	EMNRD	10/5/2001	12/31/9999	\$ -	N/A	EMNRD
City Of Espanola Assist The City To Enhance The Organization Of Its Wildfire Protection Activities	EMNRD	4/19/1999	12/31/9999	\$ -	N/A	EMNRD
City of Farmington EMNRD will acquire from the USDA - Forest Service a unique U.S. General Services Administration number for the City of Farmington to use for the purchase of wildland fire equipment and supplies.	EMNRD	4/6/2009	12/31/9999	\$ -	N/A	EMNRD
City of Farmington Fire Suppression on lands adjacent to City of Farmington.	EMNRD	1/29/2008	12/31/9999	\$ -	N/A	EMNRD
City of Farmington Vendor will construct two-thirds of a mile of trail as part of the City's Westland Park Trail System.	EMNRD	3/24/2009	12/31/2013	\$ 23,356	N/A	EMNRD
City of Farmington Construct trailhead facility, including road base surface parking area bounded by post and cable fencing, restroom structure, information kiosk, trail signs, picnic tables and BBQs, one mile-hiking trail and upgrades to existing trail at Wilderness Park in Farmington.	EMNRD	1/9/2006	12/31/2009	\$ 26,621	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
City of Gallup Document EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	2/27/2008	12/31/9999	\$ -	N/A	EMNRD
City of Gallup Improvement of 10 miles of all-terrain vehicle/off-highway vehicle (ATV/OHV) trail at the ATV/OHV Park in Gallup.	EMNRD	1/9/2007	12/31/2009	\$ 142,000	N/A	EMNRD
City of Grants Document EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	2/27/2008	12/31/9999	\$ -	N/A	EMNRD
City of Grants Inmate Work Camp crews will perform natural resource improvements to City property.	EMNRD	3/17/2003	12/31/9999	\$ -	N/A	EMNRD
City of Hobbs Document EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
City of Jal JPA documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	4/1/2008	12/31/9999	\$ -	N/A	EMNRD
City of Las Vegas Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	10/17/2007	12/31/9999	\$ -	N/A	EMNRD
City of Las Vegas Conduct wildland/urban interface projects.	EMNRD	1/23/2004	12/31/9999	\$ -	N/A	EMNRD
City of Lordsburg JPA documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	4/1/2008	12/31/9999	\$ -	N/A	EMNRD
City of Lovington Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	11/26/2007	12/31/9999	\$ -	N/A	EMNRD
City of Moriarty Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	11/3/2008	12/31/9999	\$ -	N/A	EMNRD
City of Moriarty Purchase wildland firefighting equipment from the U.S. General Services Administration for the City's fire department.	EMNRD	10/15/2002	12/31/9999	\$ -	N/A	EMNRD
City of Portales Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
City of Raton Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	2/18/2008	12/31/9999	\$ -	N/A	EMNRD
City of Raton Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	2/18/2008	12/31/9999	\$ -	N/A	EMNRD
City of Rio Rancho Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	2/13/2008	12/31/9999	\$ -	N/A	EMNRD
City Of Rio Rancho Provide support to the City by using inmate work crews to perform natural resource improvements to City property.	EMNRD	12/1/2003	12/31/9999	\$ -	N/A	EMNRD
City Of Rio Rancho Allow The City Of Rio Rancho To Purchase Wildland Fire Safety Equipment And Have EMNRD Monitor	EMNRD	3/25/1998	12/31/9999	\$ -	N/A	EMNRD

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
City of Roswell Document EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD
City of Roswell Construct one-fourth mile of trail as part of the city's Spring River Parkway Phase II project.	EMNRD	5/27/2009	12/31/2013	\$ 70,568	N/A	EMNRD
City of Roswell Improvement of four and eight-tenths miles of trail at Spring River Parkway.	EMNRD	12/20/2006	12/31/2009	\$ 72,611	N/A	EMNRD
City of Santa Fe JPA documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	4/1/2008	12/31/9999	\$ -	N/A	EMNRD
City of Santa Fe Conduct wildland/urban interface projects, as specified in individual project work plans, on City lands.	EMNRD	4/12/2004	12/31/9999	\$ -	N/A	EMNRD
City Of Santa Fe Transfer Of Operation Responsibilities Of Santa Fe River State Park	EMNRD	12/12/1997	12/31/9999	\$ 150,000	N/A	EMNRD
City Of Santa Fe Administer Funds From The FHWA For The National Recreation Trails Act	EMNRD	11/20/1997	11/20/2022	\$ 100,000	N/A	EMNRD
City of Santa Rosa Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
City of Socorro Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	11/26/2007	12/31/9999	\$ -	N/A	EMNRD
City of Sunland Park Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	5/28/2008	12/31/9999	\$ -	N/A	EMNRD
City of Sunland Park Develop and maintain five miles of trail.	EMNRD	6/1/2005	12/31/2009	\$ 235,567	N/A	EMNRD
City of Texico Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
City of Truth or Consequences Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	1/1/1900	12/31/9999	\$ -	N/A	EMNRD
Ciudad Soil & Water Conservation District Conduct Inmate Work Camp projects on public lands in Ciudad SWCD's boundaries.	EMNRD	1/15/2004	12/31/9999	\$ -	N/A	EMNRD
Ciudad Soil & Water Conservation District Conduct wildland urban interface projects under an umbrella JPA.	EMNRD	8/19/2003	12/31/9999	\$ 1,976,927	N/A	EMNRD
Claunch-Pinto SWCD EMNRD shall provide support to CPSWCD by using inmate crews to perform natural resource improvements to lands CPSWCD manages and providing vocational training for inmates.	EMNRD	7/1/2007	12/31/9999	\$ -	N/A	EMNRD
Claunch-Pinto SWCD Improvement of natural resources on lands managed by Claunch-Pinto SWCD.	EMNRD	10/16/2003	12/31/9999	\$ 202,460	N/A	EMNRD
Commissioner Of Public Lands To Conduct Resource Management Activities In The Luera Mountains.	EMNRD	5/27/1993	12/31/9999	\$ -	N/A	EMNRD
Cooperative State Agencies(g&f,dps,gsd,shd,et Cooperative Wildfire Suppression Services	EMNRD	11/26/1990	12/31/9999	\$ -	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
County of Bernalillo IWC shall provide support to the Bernalillo County Open Space Division by using inmate crews to perform natural resource improvements to lands BCOSD owns and providing vocational training for inmates.	EMNRD	3/20/2008	12/31/9999	\$ -	N/A	EMNRD
County of Bernalillo EMNRD will acquire a GSA number for the County to use in purchasing wildland fire equipment and supplies, provide training to County.	EMNRD	12/13/2004	12/31/9999	\$ -	N/A	EMNRD
County Of Bernalillo Designate a local contact person with knowledge of the County Fire Departments to have authority to mobile resources, advise EMNRD as to the status of county resources.	EMNRD	3/10/2000	12/31/9999	\$ -	N/A	EMNRD
County Of Bernalillo Joint Effort - Wildfire Suppression.	EMNRD	6/12/1990	12/31/9999	\$ -	N/A	EMNRD
County of Catron Conduct defensible space and hazardous fuels projects in Catron County.	EMNRD	9/18/2003	12/31/9999	\$ 618,340	N/A	EMNRD
County Of Catron Fire Suppression Activities On Non-municipal Lands Within Catron County	EMNRD	9/28/1990	12/31/9999	\$ -	N/A	EMNRD
County of Chaves Wildfire suppression through use of a Resource Management Plan.	EMNRD	10/27/2004	12/31/9999	\$ -	N/A	EMNRD
County of Chaves Wildfire Suppression For Lands Within Chaves County.	EMNRD	12/29/1992	12/31/9999	\$ -	N/A	EMNRD
County Of Cibola Fire Suppression On Non-municipal Lands	EMNRD	1/30/1990	12/31/9999	\$ -	N/A	EMNRD
County of Colfax Conduct WUI and HAZ projects.	EMNRD	12/6/2005	12/31/9999	\$ 275,000	N/A	EMNRD
County Of Colfax Develop & Maintain A Cooperative Wildfire Protection System.	EMNRD	3/21/1991	12/31/9999	\$ -	N/A	EMNRD
County Of Curry Fire Suppression On Non-municipal Lands	EMNRD	5/24/1990	12/31/9999	\$ -	N/A	EMNRD
County Of De Baca Provides Support Between De Baca County And EMNRD Forestry For Wildfire Suppression.	EMNRD	11/20/1992	12/31/9999	\$ -	N/A	EMNRD
County Of Dona Ana Wildland Fire Suppression On Non-municipal Lands	EMNRD	7/1/1990	12/31/9999	\$ -	N/A	EMNRD
County of Eddy Allows the County to purchase wildland fire safety gear through the federal supply schedules of the General Services Administration.	EMNRD	1/8/2004	12/31/9999	\$ -	N/A	EMNRD
County Of Eddy Mutual Support Between Eddy County And EMNRD For Wildfire Suppression.	EMNRD	11/24/1992	12/31/9999	\$ -	N/A	EMNRD
County Of Grant Emergency suppression of wildfires through use of a Resource Management Plan.	EMNRD	11/4/2003	12/31/9999	\$ -	N/A	EMNRD
County Of Grant For Fire Suppression	EMNRD	6/13/1991	12/31/9999	\$ -	N/A	EMNRD

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
County Of Harding For Wildland Fire Suppression On Lands Within Harding County.	EMNRD	1/28/1991	12/31/9999	\$ -	N/A	EMNRD
County Of Hidalgo Fire Suppression On Non-municipal Lands	EMNRD	7/1/1990	12/31/9999	\$ -	N/A	EMNRD
County Of Lea Wildfire Suppression On Lands Within Lea County.	EMNRD	12/29/1992	12/31/9999	\$ -	N/A	EMNRD
County of Lincoln Improvement of natural resources on lands managed by the County through perfor	EMNRD	10/1/2003	12/31/9999	\$ 1,167,000	N/A	EMNRD
County Of Los Alamos Organize Wildfire Protection On Non-municipal Lands Within That County	EMNRD	1/15/1997	12/31/9999	\$ -	N/A	EMNRD
County Of Luna Cooperative Fire Protection System Covering Any Or All Private, County, Non-municipal & State Lands	EMNRD	8/16/1991	12/31/9999	\$ -	N/A	EMNRD
County Of Luna Allows Forestry to enter into JPAs with individual fire departments within the county and assist them with wildand fire suppression training and provide RFDs with Federal Excess Personal Property for fire suppression.	EMNRD	6/20/1989	12/31/9999	\$ -	N/A	EMNRD
County Of McKinley Wildfire Suppression On Non-municipal Lands	EMNRD	1/30/1990	12/31/9999	\$ -	N/A	EMNRD
County of Mora County & EMNRD mutual agree to establish, implement and maintain a Resource Mobilization Plan (RMP) & associated procedures for mobilization of wildland fire protection resources.	EMNRD	7/8/2003	12/31/9999	\$ -	N/A	EMNRD
County of Mora Allow Mora County to purchase fire fighting equipment through EMNRD's authority with the U.S. General Services Administration.	EMNRD	7/25/2001	12/31/9999	\$ -	N/A	EMNRD
County Of Mora Develop And Maintain A Cooperative Wildfire Protection System Within The County	EMNRD	1/10/1992	12/31/9999	\$ -	N/A	EMNRD
County of Otero Conduct Wildland/Urban Interface and Hazardous Fuels reduction projects in Otero County.	EMNRD	10/15/2004	12/31/9999	\$ 675,000	N/A	EMNRD
County of Otero Control wildland fires that occur near populated areas by mobilizing personnel and resources beyond the normal capability of any jurisdiction	EMNRD	7/1/2000	12/31/9999	\$ -	N/A	EMNRD
County Of Quay Wildland Fire Suppression In The Area Of Quay County.	EMNRD	6/26/1990	12/31/9999	\$ -	N/A	EMNRD
County of Rio Arriba Wildland firefighting through use of a Resource Management Plan.	EMNRD	8/4/2006	12/31/9999	\$ -	N/A	EMNRD
County Of Rio Arriba Provide Rio Arriba County with access to the General Services Administration wildfire suppression personal protective equipment purchasing authority.	EMNRD	3/6/2001	12/31/9999	\$ -	N/A	EMNRD
County Of Rio Arriba Wildfire Protection On Non-municipal Lands Within The County	EMNRD	10/4/1991	12/31/9999	\$ -	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
County Of Roosevelt Mutual Support For Wildfire Suppression Between EMNRD And Roosevelt County.	EMNRD	11/24/1992	12/31/9999	\$ -	N/A	EMNRD
County of San Juan Gives the County the ability to purchase wildland fire safety gear through the federal supply schedules of the U.S. General Services Administration.	EMNRD	6/8/2009	12/31/9999	\$ -	N/A	EMNRD
County of San Juan Emergency suppression of wildfires in the state using a Resource Management Plan.	EMNRD	4/23/2004	12/31/9999	\$ -	N/A	EMNRD
County of San Juan Provide support to EMNRD for emergency suppression of wildfires.	EMNRD	5/7/2003	12/31/9999	\$ -	N/A	EMNRD
County of San Miguel Controlling wildland fires that occur near populated areas by mobilizing personnel and resources beyond the normal capability of one jurisdiction.	EMNRD	5/30/2003	12/31/9999	\$ -	N/A	EMNRD
County Of San Miguel Allow EMNRD To Purchase Wildfire Equipment	EMNRD	6/1/1998	12/31/2099	\$ -	N/A	EMNRD
County of San Miguel Provide support to Forestry Division for emergency suppression of wildfires on state and private lands within San Miguel County.	EMNRD	9/16/1992	12/31/9999	\$ -	N/A	EMNRD
County of Sandoval EMNRD will mobilize resources from the County of Sandoval to control wildland fires that occur near populated areas.	EMNRD	5/24/2001	12/31/9999	\$ -	N/A	EMNRD
County Of Sandoval Purchase Wildland Fire Equipment Through The Federal Supply Schedules Of GSA.	EMNRD	8/19/1999	12/31/9999	\$ -	N/A	EMNRD
County Of Sandoval Protection/prevention Of Wildfires On Non-municipal Lands.	EMNRD	3/12/1990	12/31/9999	\$ -	N/A	EMNRD
County of Santa Fe Conduct Wildland Urban Interface projects on County lands.	EMNRD	8/16/2004	12/31/9999	\$ -	N/A	EMNRD
County of Santa Fe Allow the County to purchase fire fighting supplies and equipment through EMNRD's General Services Administration account.	EMNRD	3/6/2002	12/31/9999	\$ -	N/A	EMNRD
County Of Santa Fe Assist The County In Enhancing Its Wildfire Protection Activities.	EMNRD	3/5/1999	12/31/9999	\$ -	N/A	EMNRD
County of Santa Fe Terms and conditions for operation of Cerrillos Hills State Park.	EMNRD	9/1/2009	7/1/2032	\$ -	N/A	EMNRD
County Of Sierra JPA Wildfire Suppression On Non-municipal Lands Within Sierra County	EMNRD	9/18/1990	12/31/9999	\$ -	N/A	EMNRD
County of Socorro Improvement of natural resources on County lands managed through the performance of natural resource restoration projects.	EMNRD	5/7/2004	12/31/9999	\$ 54,000	N/A	EMNRD
County of Socorro Allows the County to purchase wildland fire safety gear through the federal supply schedules of the General Services Administration.	EMNRD	3/3/2004	12/31/9999	\$ -	N/A	EMNRD

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
County Of Socorro Use Of Inmate Crews In Natural Resource Projects On County Of Socorro Properties	EMNRD	8/12/1998	12/31/9999	\$ -	N/A	EMNRD
County Of Socorro Assist County In Enhancing Wildfire Protection On Non-municipal Lands Within County.	EMNRD	8/31/1995	12/31/9999	\$ -	N/A	EMNRD
County of Taos Wildfire suppression through use of a Resource Management Plan.	EMNRD	3/23/2004	12/31/9999	\$ -	N/A	EMNRD
County of Taos Allow Taos County to purchase wildland firefighting equipment from the U.S. GSA wildfire suppression personal protective equipment purchasing authority.	EMNRD	12/17/2001	12/31/9999	\$ -	N/A	EMNRD
County Of Taos Prevention And Fire Suppression Of Forest Fires.	EMNRD	11/18/1996	12/31/9999	\$ -	N/A	EMNRD
County Of Torrance For Prevention, Detection & Suppression Of Wildfires On County, State & Private Land Torrance County	EMNRD	1/25/1990	12/31/9999	\$ -	N/A	EMNRD
County Of Union Fire Suppression On Non-municipal Lands Within Union County	EMNRD	10/30/1990	12/31/9999	\$ -	N/A	EMNRD
County of Valencia Gives the County the ability to purchase of wildland fire safety gear through the federal supply schedules of the U.S. General Services Administration	EMNRD	3/18/2009	12/31/9999	\$ -	N/A	EMNRD
County Of Valencia Loan Of Fire Fighting Equipment As Necessary	EMNRD	6/13/1989	12/31/9999	\$ -	N/A	EMNRD
Cuba Soil and Water Conservation District Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	10/5/2007	12/31/9999	\$ 160,468	N/A	EMNRD
Department of Cultural Affairs EMNRD shall to the DCA by using inmate crews to perform natural resource improvements on state lands owned and managed by the DCA.	EMNRD	7/7/2009	12/31/9999	\$ -	N/A	EMNRD
Department of Cultural Affairs Conduct background research, prepare historic contexts, conduct archaeological inventories and properties and reports.	EMNRD	7/23/2004	12/31/9999	\$ 750,000	N/A	EMNRD
Department of Health Document EMNRD's and DOH, ED, DPS, OSFM and DOT's desire to efficiently manage all New Mexico Waste Isolation Pilot Plant (WIPP) Transportation Program activities.	EMNRD	10/1/1993	12/31/9999	\$ 4,344,532	N/A	EMNRD
Department of The Interior Documents the parties' commitment to improve efficiency by facilitating the coordination and exchange of personnel, equipment, supplies, services, and funds for management of wildfires.	EMNRD	4/2/2008	4/1/2013	\$ -	N/A	EMNRD
Department of Trans Acquisition of 130 acres of wetland habitat in Santa Rosa (Blue Hole Cienega).	EMNRD	5/31/2005	5/30/2010	\$ -	N/A	EMNRD
Department of Transportation Conduct natural resource projects using Inmate Work Camp inmates.	EMNRD	5/23/2005	5/22/2010	\$ -	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Edgewood SWCD Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	10/16/2007	12/31/9999	\$ 109,193	N/A	EMNRD
EMNRD Energy, Minerals & Natural Resources Department Specifies relationship between NMYCCC and EMNRD, including reimbursement of EMNRD for administrative services provided.	EMNRD	1/29/2004	12/31/9999	\$ 50,000	N/A	EMNRD
Environment Department Transfer Of Discharge Plan Fees From Water Quality Management Fund.	EMNRD	7/1/1993	12/31/9999	\$ -	N/A	EMNRD
General Services Department GSD shall provide Parks with assistance in acquiring property located in Tucumcari for the Region II office.	EMNRD	4/14/2005	4/13/2030	\$ -	N/A	EMNRD
Grant Soil & Water Conservation District (SWCD) Improvement of natural resources on lands managed by Grant SWCD.	EMNRD	9/18/2003	12/31/9999	\$ 1,597,680	N/A	EMNRD
Grant, County Of Purchase Wildland Fire Safety Equipment Per GSA Account.	EMNRD	4/28/1998	12/31/9999	\$ -	N/A	EMNRD
Guadalupe County To Protect And Aide In Fire Protection Around The Guadalupe County Area.	EMNRD	5/6/1994	12/31/9999	\$ -	N/A	EMNRD
Lava Soil and Water Conservation District Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	5/21/2007	12/31/9999	\$ 100,000	N/A	EMNRD
Lincoln County Wild Fire Suppression Within Lincoln County	EMNRD	6/8/1995	12/31/9999	\$ -	N/A	EMNRD
Middle Rio Grande Conservancy Conduct Wildland Urban Interface and Hazardous Materials Grants projects.	EMNRD	10/7/2004	12/31/9999	\$ 531,000	N/A	EMNRD
Middle Rio Grande Conservancy EMNRD & Middle Rio Grande As Part Of Inmate Work Camp Established By EMNRD	EMNRD	2/2/1998	12/31/9999	\$ -	N/A	EMNRD
Middle Rio Grande Conservancy Provide Support To EMNRD's Forestry Division On Wildland Fires Burning On Lands.	EMNRD	1/3/1996	12/31/9999	\$ -	N/A	EMNRD
Mid-Region Council of Governments \$3 million for bosque revitalization and planning and development of trails in the north bosque area along the Rio Grande.	EMNRD	10/6/2005	6/30/2010	\$ -	N/A	EMNRD
National Park Service Vendor will construct a five-tenths of a mile of trail as part of the Pecos Nat. Historical Park Trail System.	EMNRD	4/7/2009	12/31/2013	\$ 172,600	N/A	EMNRD
New Mexico Department of Game and Fish Improvement of natural resources on lands owned by the State Game Commission through the performance of natural resource restoration.	EMNRD	3/11/2009	12/31/9999	\$ -	N/A	EMNRD
New Mexico Department of Game and Fish Specifies terms, conditions and each party's duties in operation of Cimarron, Clayton and Fenton Lake State Parks.	EMNRD	8/31/2007	12/31/9999	\$ -	N/A	EMNRD
New Mexico Highlands University Conducting forest & watershed health projects that implement recommendations in the Governor's Forest & Watershed Health Plan.	EMNRD	3/20/2008	6/30/2011	\$ 80,000	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
New Mexico Institute of Mining and Technology Participation In College Work Study Program For Students.	EMNRD	5/19/1999	12/31/9999	\$ 3,331	N/A	EMNRD
New Mexico Mortgage Finance Authority Transfer of \$2 million to the Authority for the management and implementation of a Dairy Biomass Loan Fund to fund renewable energy.	EMNRD	11/5/2007	6/30/2010	\$ 2,000,000	N/A	EMNRD
NM Corrections Dept Provide minimum and minimum-restrict inmates to work in various state parks: Bottomless, Brantley, Living Desert, RGNC, Hyde, Bluewater, Leasburg, Rockhound & EBLSP.	EMNRD	7/2/2001	12/31/9999	\$ 190,000	N/A	EMNRD
NM Dept. Of Military Affairs/national Guard Bottomless Lakes State Park. To Establish Separate Responsibilities And Authorities Of Water Service	EMNRD	10/1/1987	12/31/9999	\$ -	N/A	EMNRD
NM Dept. Of Taxation & Revenue Administrative Program To Register, Collect Excise Taxes And Title Boats	EMNRD	3/18/1988	12/31/9999	\$ -	N/A	EMNRD
NM Environment Department Establish procedures for implementing financial assurance, utilizing each agency's resources more efficiently and streamlining financial assurance process for operators subject to requirements of the Mining Act and Water Quality Act.	EMNRD	3/21/2001	12/31/9999	\$ -	N/A	EMNRD
NM Environment Department Establish coordination procedures for implementing the Mining Act in order to utilize each agency's resources more efficiently.	EMNRD	1/24/2001	12/31/9999	\$ -	N/A	EMNRD
NM Environment Department Establish Cooperative Procedures For Conducting Inspections Under The NM Mining Act	EMNRD	5/28/1997	12/31/9999	\$ -	N/A	EMNRD
NM Environment Department Define funding, program tasks and administration of the Underground Injection Control Program.	EMNRD	5/29/2002	6/30/2012	\$ -	N/A	EMNRD
NM Environment Department NMED shall provide Parks and Forestry with fund to complete wetland and flood plain restoration.	EMNRD	10/16/2007	6/30/2011	\$ -	N/A	EMNRD
NM Environment Department ED shall transfer \$54,050 to Parks for completion of a wetland restoration project at Caballo Lake State Park.	EMNRD	4/2/2007	10/31/2009	\$ -	N/A	EMNRD
NM Game & Fish Department NMDGF and EMNRD will jointly acquire a conservation easement on 5,000 acres of the Horse Springs Ranch in northern Catron County.	EMNRD	4/19/2007	12/31/9999	\$ -	N/A	EMNRD
NM Game & Fish Department Mgmt. Of Protected Wildlife Resources Related To Wildlife Habitat Protection, Enhancement Of Land.	EMNRD	4/17/1998	12/31/9999	\$ -	N/A	EMNRD
NM Game & Fish Department Management Of The WIPP Withdrawal Area, JPA With NM Game & Fish, OCA And State Land Office	EMNRD	6/26/1997	12/31/2033	\$ -	N/A	EMNRD
NM Game & Fish Department Design, construction and installation of a handicapped accessible fishing pier along the Pecos River above Terrero.	EMNRD	5/28/2008	6/30/2010	\$ 50,000	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
NM Game & Fish Department Provide for cooperation in the management of Eagle Nest Lake State Park and joint administration of certain lands at Eagle Nest Lake.	EMNRD	6/23/2004	12/31/9999	\$ -	N/A	EMNRD
NM Game & Fish Department Develop, maintain and improve a park and recreation area and appropriate services at Eagle Nest Lake.	EMNRD	11/1/2002	6/30/2027	\$ -	N/A	EMNRD
NM Game & Fish Department Disburse federal funds administered by Game and Fish Dept. to State Parks for boat access improvements.	EMNRD	2/27/2001	9/30/2009	\$ -	N/A	EMNRD
NM State Highway & Transp Aviation Division Maintain, Improve, Equip And Operate Airports	EMNRD	2/8/1996	12/31/9999	\$ -	N/A	EMNRD
NM State Land Office To Provide Resources/expertise Of Protecting/conserving Forested Areas Of State Trust Lands	EMNRD	6/8/1989	12/31/9999	\$ -	N/A	EMNRD
NM State Land Office/NM Tax & Revenue Establish A Data Center In The Simms Building To Be Shared By Users	EMNRD	9/8/1988	12/31/9999	\$ -	N/A	EMNRD
NMSU - Coop Extension Service Provide a forest entomologist for forest pest survey work NMCES shall provide detection, evaluation, reporting and education in all phases of integrated forest pest management.	EMNRD	1/3/2007	12/31/2016	\$ 206,100	N/A	EMNRD
NMSU - New Mexico State University Carry out tree improvement work on New Mexico forest tree species.	EMNRD	7/1/1995	6/30/2012	\$ 254,000	N/A	EMNRD
Pueblo of Sandia Improvement of natural resources on Pueblo lands through the performance of natural resource restoration projects.	EMNRD	10/5/2007	12/31/9999	\$ 69,000	N/A	EMNRD
Pueblo of Santa Ana Improvement of natural resources on Pueblo lands through the performance of natural resource restoration projects.	EMNRD	1/30/2009	12/31/9999	\$ 20,000	N/A	EMNRD
Pueblo of Santa Clara Improvement of natural resources on Pueblo lands through the performance of natural resource restoration projects.	EMNRD	11/3/2008	12/31/9999	\$ 50,000	N/A	EMNRD
Red River, Town Of Conducting Wildland/Urban Interface (WUI) projects.	EMNRD	3/23/2004	12/31/9999	\$ 49,950	N/A	EMNRD
Salado Soil and Water Conservation District Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	8/25/2008	12/31/9999	\$ 75,000	N/A	EMNRD
Sierra County Office of the Flood Commissioner Inmate work on lands managed by the Commissioner.	EMNRD	3/4/2002	12/31/9999	\$ -	N/A	EMNRD
Sierra Soil & Water Conservation District Conducting Wildland/Urban Interface (WUI) projects.	EMNRD	2/12/2004	12/31/9999	\$ 169,788	N/A	EMNRD
Socorro SWCD Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	1/1/1900	12/31/9999	\$ 215,000	N/A	EMNRD
State Game Commission/DGF Specifies each parties duties and responsibilities in the operatio of Mesilla Valley Bosque State Park.	EMNRD	4/21/2005	12/31/9999	\$ -	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
State Land Office Improvement of natural resources on lands managed by SLO through the performance of natural resource restoration projects.	EMNRD	11/6/2003	12/31/9999	\$ 430,653	N/A	EMNRD
State Land Office State Land Office, EMNRD, & Taxation And Revenue For The Design, Development, Etc. Of On-guard	EMNRD	5/7/1998	12/31/2010	\$ -	N/A	EMNRD
Tierra Y Montes SWCD Implement Wildland/Urban Interface Projects on lands managed by the SWCD.	EMNRD	9/28/2004	12/31/9999	\$ 1,825,725	N/A	EMNRD
Town of Bernalillo Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	1/15/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Bernalillo Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	2/28/2006	12/31/9999	\$ -	N/A	EMNRD
Town Of Bernalillo Wildlife Fire Suppression On Lands In Or Adjacent To The Town Of Bernalillo	EMNRD	2/8/1996	12/31/9999	\$ -	N/A	EMNRD
Town of Carrizozo Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
Town of Carrizozo Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
Town of Clayton Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	5/13/2009	12/31/9999	\$ -	N/A	EMNRD
Town of Elida Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
Town Of Elida For Wildfire Suppression On Land Adjacent To Elida, NM.	EMNRD	2/5/1993	12/31/9999	\$ -	N/A	EMNRD
Town of Estancia Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	9/2/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Estancia Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	9/22/2006	12/31/9999	\$ -	N/A	EMNRD
Town of Eunice Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	3/20/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Hagerman Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Hurley Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Town Of Hurley Encumber Funds With Town Of Hurley For Pool/ Park Improvements.	EMNRD	7/1/1993	12/31/2020	\$ 5,500	N/A	EMNRD
Town of Lake Arthur Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	11/3/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Mesilla Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	4/1/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Mesilla Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	5/10/2006	12/31/9999	\$ -	N/A	EMNRD
Town Of Mountainair Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Peralta Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	6/24/2009	12/31/9999	\$ -	N/A	EMNRD
Town of Red River Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Silver City Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	11/26/2007	12/31/9999	\$ -	N/A	EMNRD
Town of Springer Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	2/18/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Taos Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Taos Develop and maintain 1.55 mile of trail that will connect the Weimer Foothills neighborhood to the Outward Link trails system.	EMNRD	8/2/2005	12/31/2009	\$ 120,917	N/A	EMNRD
Town of Tatum Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	10/17/2007	12/31/9999	\$ -	N/A	EMNRD
Town of Vaughn Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	11/30/2007	12/31/9999	\$ -	N/A	EMNRD
Town of Willard Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	2/18/2008	12/31/9999	\$ -	N/A	EMNRD
UNM - Board of Regents UNM - Natural Heritage Program shall provide professional fieldwork and research assistance, greenhouse studies and geographic information system work rare or endangered plants in New Mexico.	EMNRD	8/8/2005	12/31/2010	\$ 92,908	N/A	EMNRD
US Dept.of Energy, City Of Carlsbad, Eddy Count Share in establishing and maintaining an Alternative Emergency Operations Center equipped to support and carry out assigned emergency responses.	EMNRD	10/24/2000	12/31/9999	\$ -	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
US Forest Service USFS, Colorado State Forest Service, EMNRD and the State of Colorado, Archuleta County shall provide wildfire protection along the boundary between the State of New Mexico and the State of Colorado.	EMNRD	10/6/1986	12/31/9999	\$ -	N/A	EMNRD
US Forest Service (USDA) Provide support to the Forest Service Southwest Region using IWC crews to perform natural resource improvement projects on USFS land and provide vocational training for inmates.	EMNRD	4/19/2006	3/31/2010	\$ -	N/A	EMNRD
US Forest Service (USDA) Establish And Operate Inmate Work Camp Program.	EMNRD	10/15/1997	12/31/9999	\$ -	N/A	EMNRD
US Forest Service (USDA) Reconstruction of a 5-mile trail leading from Hummingbird Saddle to the summit of Mogollon Baldy Mountain, part of the Gila Wilderness Trails.	EMNRD	9/13/2005	12/31/2009	\$ 29,674	N/A	EMNRD
US Forest Service (USDA) Reconstruction of a 7.5-mile trail beginning at McKnight Canyon trailhead, ending at the McKnight Cabin on the edge of the Aldo Leopold Wilderness.	EMNRD	9/13/2005	12/31/2009	\$ 41,295	N/A	EMNRD
USDA Forest Service Caja del Rio Trailhead Project - rehabilitation and improvement of a multi-use trailhead for motorized and non-motorized use.	EMNRD	4/1/2008	12/31/2010	\$ 80,000	N/A	EMNRD
USDA-Forest Service-Carson NF Provide as-needed dispatcher support services for wildland fires that occur on non-municipal non-federal lands within the Gila/Las Cruces Zone area.	EMNRD	1/30/2007	1/29/2012	\$ -	N/A	EMNRD
USFS - Gila NF Trail Restoration project, which involves reconstruction and maintenance of 15.8 miles of trail in the Gila National Forest.	EMNRD	7/23/2009	12/31/2013	\$ 27,395	N/A	EMNRD
USFS - Gila NF Trail Restoration project, which involves reconstruction and maintenance of 22.3 miles of trail in the Gila National Forest.	EMNRD	11/15/2007	12/31/2010	\$ 16,699	N/A	EMNRD
USFS - Lincoln NF Agreement Giving Forestry Responsibility Over Smokey Bear Park.	EMNRD	5/25/1993	12/31/9999	\$ -	N/A	EMNRD
USFS - Magdalena Ranger District Improve 14 miles of trail within the Apache Kid Wilderness boundary.	EMNRD	10/24/2005	12/31/2009	\$ 69,533	N/A	EMNRD
USFS - Sandia Ranger District Make improvements along 110 miles of the existing Cedro Peak Trail, including trailhead and trailside facilities.	EMNRD	10/24/2005	12/31/2009	\$ 25,000	N/A	EMNRD
Valencia Soil and Water Conservation District Perform natural resource restoration projects on SWCD-managed lands using the Inmate Work Camp Program. VSWCD reimburses Forestry.	EMNRD	9/13/2005	12/31/9999	\$ -	N/A	EMNRD
Village of Angel Fire, The Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	2/27/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Angel Fire, The Assistance with emergency suppression of wildfires pursuant to a Resource Management Plan.	EMNRD	11/10/2003	12/31/9999	\$ -	N/A	EMNRD
Village of Angel Fire, The Control of timber, grass and woodland fires.	EMNRD	4/28/2000	12/31/9999	\$ -	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Village of Angel Fire, The Sendero del Sol Phase II project, which involves the construction of 0.6 mile of new trail.	EMNRD	10/17/2007	12/31/2010	\$ 90,600	N/A	EMNRD
Village of Bosque Farms Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	2/27/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Causey Fire suppression on lands adjacent to the Village of Causey.	EMNRD	1/29/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Chama Fire suppression on lands adjacent to the Village of Chama.	EMNRD	1/29/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Cimarron Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	2/18/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Cloudcroft Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/2/2007	12/31/9999	\$ -	N/A	EMNRD
Village of Cloudcroft Make improvements at Zenith Park by constructing six-tenths of a mile of trail.	EMNRD	5/25/2007	12/31/2009	\$ 17,600	N/A	EMNRD
Village of Columbus Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	4/7/2009	12/31/9999	\$ -	N/A	EMNRD
Village of Columbus Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	2/23/2006	2/23/2011	\$ -	N/A	EMNRD
Village of Corona Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Corrales Gives the Village the ability to purchase of wildland fire safety gear through the fed	EMNRD	1/30/2009	12/31/9999	\$ -	N/A	EMNRD
Village of Corrales Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	2/18/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Corrales Provide for the use of inmate work for improvement of natural resources on public lands managed by the Village.	EMNRD	2/28/2002	12/31/9999	\$ -	N/A	EMNRD
Village of Cuba Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/17/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Des Moines Fire suppression on lands adjacent to the Village of Des Moines.	EMNRD	1/29/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Dexter Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	5/2/2008	12/31/9999	\$ -	N/A	EMNRD

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Village of Dora Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/26/2007	12/31/9999	\$ -	N/A	EMNRD
Village Of Eagle Nest Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	1/15/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Encino Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	2/18/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Floyd Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	3/20/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Folsom Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	5/2/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Fort Sumner Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	4/1/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Grady Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/3/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Hatch Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/2/2007	12/31/9999	\$ -	N/A	EMNRD
Village of Hope Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/2/2007	12/31/9999	\$ -	N/A	EMNRD
Village of House Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	3/18/2009	12/31/9999	\$ -	N/A	EMNRD
Village of Jemez Springs Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	2/18/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Los Lunas Fire suppression on lands adjacent to Village of Los Lunas.	EMNRD	1/29/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Los Ranchos De Albuquerque Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/2/2007	12/31/9999	\$ -	N/A	EMNRD
Village of Loving Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	12/9/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Magdalena Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	5/21/2007	12/31/9999	\$ -	N/A	EMNRD
Village Of Magdalena For Wildfire Suppression Within And Adjacent To The Village.	EMNRD	11/29/1993	12/31/9999	\$ -	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Village of Maxwell Fire suppression on lands adjacent to the Village of Maxwell.	EMNRD	1/29/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Melrose Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/3/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Milan Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	2/18/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Mosquero Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	1/15/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Pecos Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
Village of Reserve Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/20/2007	12/31/9999	\$ -	N/A	EMNRD
Village of Reserve Fire suppression and wildlife suppression on lands adjacent to the Village of Reserve.	EMNRD	8/1/2006	12/31/9999	\$ -	N/A	EMNRD
Village of Roy Wildfire suppression on lands adjacent to the Village of Roy.	EMNRD	1/29/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Ruidoso The Village of Ruidoso pays EMNRD for the use of the inmate crews in accordance with rates specified in each approved project plan.	EMNRD	7/1/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Ruidoso Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/30/2007	12/31/9999	\$ -	N/A	EMNRD
Village of Ruidoso Provide federal wildland urban interface and hazardous fuels reduction funds to improve natural resources on Village lands.	EMNRD	10/10/2003	12/31/9999	\$ 1,128,000	N/A	EMNRD
Village of Ruidoso Downs Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	2/27/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Ruidoso Downs For Emergency Suppression Of Wildfires On State And Private Lands.	EMNRD	4/5/1993	12/31/9999	\$ -	N/A	EMNRD
Village of San Jon Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/3/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Santa Clara Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	12/5/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Taos Ski Valley Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Village of Taos Ski Valley Provide wildland fire suppression assistance on wildland fire incidents adjacent to the Village of Taos boundaries	EMNRD	7/1/2000	12/31/9999	\$ -	N/A	EMNRD
Village of Tijeras Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	4/1/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Tularosa Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	11/17/2008	12/31/9999	\$ -	N/A	EMNRD
Village Of Tularosa Wildfire Suppression On Lands Adjacent To Municipality Of Tularosa, NM.	EMNRD	2/26/1993	12/31/9999	\$ -	N/A	EMNRD
Village Of Virden Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	5/2/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Wagon Mound Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	3/20/2008	12/31/9999	\$ -	N/A	EMNRD
Village of Williamsburg Document EMNRD's and the Village's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD
Western Mora Soil & Water Conservation District Conduct wildland/urban interface and hazardous fuels reduction projects.	EMNRD	2/22/2005	12/31/9999	\$ 525,084	N/A	EMNRD
Claunch-Pinto SWCD Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	5/20/2010	12/31/9999	\$ -	N/A	EMNRD
Cuba Soil and Water Conservation District Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	8/5/2010	12/31/9999	\$ -	N/A	EMNRD
Mescalero Apache Tribe Improvement of natural resources on tribal lands through the performance of natural resource restoration projects.	EMNRD	7/14/2010	12/31/9999	\$ 47,400	N/A	EMNRD
Ciudad Soil and Water Conservation District Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	7/14/2010	12/31/9999	\$ 270,000	N/A	EMNRD
County of Colfax Improvement of natural resources on lands the County owns through the performance of natural resource restoration projects.	EMNRD	6/8/2010	12/31/9999	\$ 473,000	N/A	EMNRD
Village of Angel Fire Improvement of natural resources on lands the Village owns through the performance of natural resource restoration projects.	EMNRD	5/25/2010	12/31/9999	\$ 409,000	N/A	EMNRD
County of Curry Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	5/20/2010	12/31/9999	\$ -	N/A	EMNRD

See Independent Auditors' Report.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
City of Santa Fe Gives the City the ability to purchase wildland fire safety gear through the federal supply schedules of the U.S. General Services Administration (GSA).	EMNRD	5/20/2010	12/31/9999	\$ -	N/A	EMNRD
Town of Red River Improvement of natural resources on lands the Town owns through the performance of natural resource restoration projects.	EMNRD	6/8/2010	12/31/9999	\$ 91,000	N/A	EMNRD
County of Bernalillo Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	5/19/2010	12/31/9999	\$ -	N/A	EMNRD
County of Lincoln Improvement of natural resources on lands the County owns through the performance of natural resource restoration projects.	EMNRD	5/6/2010	12/31/9999	\$ 1,102,000	N/A	EMNRD
County of San Juan Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	4/30/2010	12/31/9999	\$ -	N/A	EMNRD
Colfax Soil and Water Conservation District Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	4/30/2010	12/31/9999	\$ 672,000	N/A	EMNRD
Upper Chama Soil and Water Conservation District Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	4/30/2010	12/31/9999	\$ 630,000	N/A	EMNRD
County of Otero Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	4/27/2010	12/31/9999	\$ 525,000	N/A	EMNRD
County of Luna Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	4/19/2010	12/31/9999	\$ -	N/A	EMNRD
County of Los Alamos Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	3/30/2010	12/31/9999	\$ -	N/A	EMNRD
County of Valencia Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	3/30/2010	12/31/9999	\$ -	N/A	EMNRD
San Juan Soil and Water Conservation District Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	3/30/2010	12/31/9999	\$ 748,300	N/A	EMNRD
Pueblo of Taos Improvement of natural resources on Pueblo lands through the performance of natural resource restoration projects.	EMNRD	3/29/2010	12/31/9999	\$ 300,000	N/A	EMNRD

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
County of Grant Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	3/18/2010	12/31/9999	\$ -	N/A	EMNRD
County of Sandoval Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	3/18/2010	12/31/9999	\$ -	N/A	EMNRD
County of Santa Fe Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	3/18/2010	12/31/9999	\$ -	N/A	EMNRD
County of Quay Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	3/18/2010	12/31/9999	\$ -	N/A	EMNRD
County of Harding Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	3/18/2010	12/31/9999	\$ -	N/A	EMNRD
County of Otero Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	3/18/2010	12/31/9999	\$ -	N/A	EMNRD
County of Eddy Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	2/25/2010	12/31/9999	\$ -	N/A	EMNRD
County of Chavez Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	2/25/2010	12/31/9999	\$ -	N/A	EMNRD
County of Socorro Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	12/14/2009	12/31/9999	\$ -	N/A	EMNRD
County of Hidalgo Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	12/7/2009	12/31/9999	\$ -	N/A	EMNRD

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
County of Guadalupe Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	12/7/2009	12/31/9999	\$ -	N/A	EMNRD
County of McKinley Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	12/7/2009	12/31/9999	\$ -	N/A	EMNRD
County of Lincoln Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/17/2009	12/31/9999	\$ -	N/A	EMNRD
County of Sierra Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/17/2009	12/31/9999	\$ -	N/A	EMNRD
County of San Miguel Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/17/2009	12/31/9999	\$ -	N/A	EMNRD
County of Colfax Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/2/2009	12/31/9999	\$ -	N/A	EMNRD
County of Lea Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/2/2009	12/31/9999	\$ -	N/A	EMNRD
County of Union Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/2/2009	12/31/9999	\$ -	N/A	EMNRD
County of Taos Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/2/2009	12/31/9999	\$ -	N/A	EMNRD
County of Roosevelt Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/2/2009	12/31/9999	\$ -	N/A	EMNRD
County of Rio Arriba Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	10/28/2009	12/31/9999	\$ -	N/A	EMNRD

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule 5 - continued

Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
County of Mora Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	9/29/2009	12/31/9999	\$ -	N/A	EMNRD
Town of Peralta Documents EMNRD's and the Town's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	6/24/2009	12/31/9999	\$ -	N/A	EMNRD
County of Dona Ana Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	1/18/2009	12/31/9999	\$ -	N/A	EMNRD
City of Hobbs Administer funding from the Federal Highway Administration (FHWA) for the Recreation Trails Program (RTP). City shall construct six miles of pedestrian trail along State Route 18 and install signs.	EMNRD	7/19/2010	8/24/2013	\$ 300,000	N/A	EMNRD
City of Truth or Consequences Administer funding from the Federal Highway Administration (FHWA) for the Recreation Trails Program (RTP). Purchase and installation of trail signs and amenities along three miles of the City's Healing Waters pedestrian/bike trail.	EMNRD	5/25/2010	8/24/2013	\$ 93,844	N/A	EMNRD
County of McKinley Administer funding from the Federal Highway Administration (FHWA) for the Recreation Trails Program (RTP). Improve trail, construct a new trailhead and install additional trail signs along 26 miles of multi-use trail in the Mount Taylor Ranger District of the Cibola National Forest.	EMNRD	4/30/2010	8/24/2014	\$ 187,894	N/A	EMNRD
City of Clovis Administer funding from the Federal Highway Administration (FHWA) for the Recreation Trails Program (RTP). City shall restore six miles of trails as part of the City's motorized-use trail system in Ned Houk Park.	EMNRD	2/20/2010	8/24/2014	\$ 15,000	N/A	EMNRD

SINGLE AUDIT

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Schedule of Expenditures of Federal Awards

YEAR ENDED JUNE 30, 2010

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Department of Energy:		
State Energy Special Projects	81.119	\$ 2,592
State Energy Program	81.041	124,726
State Energy Program - ARRA	81.041	4,579,703
Waste Isolation Pilot Project	81.106	1,210,354
Energy Efficiency & Renewable Energy	81.117	13,280
Energy Assurance Planning	81.122	15,266
State Energy Efficiency Appliance Rebate Program	81.127	1,689,582
Energy Efficient Conservation Block Grant	81.128	<u>372,827</u>
 Total USDE		 8,008,330
U.S. Department of Agriculture:		
Forest Service – Cooperative Forestry Assistance	10.664	5,307,040
Forest Service - Watershed Health Plan	10.902	82,418
Forest Service - ARRA	10.688	<u>405,657</u>
 Total USDA		 5,795,115
U.S. Department of Homeland Security:		
U.S. Coast Guard Boating Safety Program	97.012	<u>1,084,202</u>
 Total USDHS		 1,084,202
U.S. Department of Transportation:		
Federal Highway Admin – National Trails Act	20.219	1,253,993
Federal Highway Admin – La Cueva	20.205	<u>3,122</u>
 Total US DOT		 1,257,115

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Schedule of Expenditures of Federal Awards - continued

YEAR ENDED JUNE 30, 2010

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Department of the Interior:		
Office of Surface Mining:		
Administration and Enforcement (Coal)	15.250	\$ 850,000
Abandoned Mine Land	15.252	<u>2,453,921</u>
Total Office of Surface Mining		3,303,921
Bureau of Land Mangement - Fire Assistance	15.228	19,784
Bureau of Land Mangement - Abandoned Mine Program	15.236	<u>225,000</u>
Total Bureau of Land Management		244,784
National Park Service:		
Land and Water	15.916	<u>31,350</u>
Total National Park Service		31,350
Bureau of Reclamation:		
Water Conservation Field Services	15.530	17,522
Title 28 - Handicap Access	15.BBC	<u>419,287</u>
Total Bureau of Reclamation		436,809
US Fish & Wildlife Service:		
US Fish and Wildlife - Endangered Plants	15.615	76,000
US Fish and Wildlife - Sunflower Restoration	15.657	<u>19,700</u>
Total US Fish & Wildlife Service		<u>95,700</u>
Total U. S. Department of the Interior		4,112,564

See Independent Auditors' Report.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Schedule of Expenditures of Federal Awards - continued

YEAR ENDED JUNE 30, 2010

<u>Federal Agency/ Pass-Through Agency</u>	<u>Federal CFDA Number</u>	<u>Federal Participating Expenditures</u>
U.S. Environmental Protection Agency: Underground Injection Control Program	66.433	\$ <u>337,314</u>
Total USEPA		337,314
Federal reimbursement for indirect costs	10.XXX	<u>2,784,806</u>
Total		\$ <u><u>23,379,446</u></u>
Federal Revenue from Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		\$ <u><u>23,379,446</u></u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

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 1 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, 2010.

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>Amount</u>
State Energy Program-ARRA: 81.041	\$ 4,579,703
Due to Other State Agency (Department of Cultural Affairs)	(190,848)
Due to Other State Agency (Department of Transportation)	(29,922)
Due to Other State Agency (RLD-ARRA)	(39,105)
Due to Other State Agency (GSD-ARRA)	<u>(318,568)</u>
Actual Cash Disbursed During the Fiscal Year	<u>4,001,260</u>
Waste Water Isolation Pilot Project: 81.106	1,210,354
Due to Other State Agency (Department of Health)	(80,892)
Due to Other State Agency (Environment Department)	(54,854)
Due to Other State Agency (Department of Public Safety)	(172,125)
Due to Other State Agency (DHSEM)	(58,483)
Due to Other State Agency (Public Regulation Commission)	<u>(171,581)</u>
Actual Cash Disbursed During the Fiscal Year	<u>672,419</u>
Abandoned Mine Land: 15.252	2,453,921
Due to Other State Agency (Department of Cultural Affairs)	<u>(31,373)</u>
Actual Cash Disbursed During the Fiscal Year	<u>2,422,548</u>

**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***

State of New Mexico
Energy, Minerals, and Natural Resources Department and
Mr. Hector H. Balderas
New Mexico State Auditor

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, the combining and individual funds, fiduciary funds, and related budgetary comparison presented as supplemental information of the State of New Mexico Energy, Minerals and Natural Resources Department (the Department) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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 of this section 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 State of New Mexico



Energy, Minerals, and Natural Resources Department and
Mr. Hector H. Balderas
New Mexico State Auditor

internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 also noted certain other matters that are 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 10-01.

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

This report is intended solely for the information and use of management 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 awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Meyers + Company, LLC

November 30, 2010

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

State of New Mexico
Energy, Minerals, and Natural Resources Department and
Mr. Hector H. Balderas
New Mexico State Auditor

Compliance

We have audited the State of New Mexico Energy, Minerals, and Natural Resources Department's (the Department) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2010. The Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Department's management. Our responsibility is to express an opinion on the Department's compliance based on our audit.

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

In our opinion, the Department complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.



State of New Mexico
Energy, Minerals, and Natural Resources Department and
Mr. Hector H. Balderas
New Mexico State Auditor

Internal Control Over Compliance

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Department's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

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

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

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

State of New Mexico
Energy, Minerals, and Natural Resources Department and
Mr. Hector H. Balderas
New Mexico State Auditor

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.

Meyers + Company, LLC

November 30, 2010

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Schedule of Findings and Questioned Costs

YEAR ENDED JUNE 30, 2010

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the New Mexico Energy, Minerals, and Natural Resources Department (Department).
2. There were no instances of noncompliance material to the financial statements disclosed during the audit of the Department.
3. There was one deficiency in internal control identified, which was not considered to be a significant deficiency or material weakness to the financial statements of the Department.
4. There were no deficiencies in internal control over major programs identified that were material weaknesses.
5. There were no audit findings that the auditor is required to report under 510(a) of Circular A-133.
6. The auditors' report on compliance for the major federal award programs for the Department expresses an unqualified opinion.
7. The programs tested as the major programs included:

U.S. Department of Agriculture:	
ARRA: Wildland Fire Management	10.688
 U.S. Environmental the Interior:	
ARRA – Environmental Quality and Protection Resource Management	15.236
Regulation of Surface Coal Mining and Surface Effects	15.25
Abandoned Mine Land Reclamation Program	15.252
 U.S. Department of Energy:	
ARRA – State Energy Program	81.041
Waste Isolation Pilot Project	81.106
ARRA – Energy Efficient Appliance Rebate Program	81.127
ARRA – Energy Efficiency and Conservation Block Grant Program	81.128
8. The threshold for distinguishing Types A and B programs was \$695,658.
9. The Department was determined to be a low-risk auditee.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule of Findings and Questioned Costs - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT

10-01 GASOLINE CREDIT CARD DISBURSEMENTS

Condition: During our testwork over disbursements made with the Department's gas cards, we identified instances where mileage supporting documentation did not adequately support the disbursement for the purchase of gasoline.

Criteria: Section 2.2.2.8 J of the New Mexico State Audit Rule requires good accounting practices be followed, which includes maintaining adequate financial records to support disbursements made with Department resources.

Cause: Lack of adequate review of gas card expenditures and supporting documentation.

Effect: There is increased potential for overpayment of gas expenditures or misuse of the Department's gas card.

Recommendation: We recommend the Department implement a policy and educate employees on proper treatment of gas card expenses. This can be accomplished by providing a memorandum to all employees for review and modification of the Department's personnel policies.

Management's Response:

This audit finding relates to the odometer reading having been entered incorrectly in the Oil Conservation Division.

When an employee uses a Wright Express gas card for gas, he is asked to enter the last six digits of his Social Security number and the odometer reading.

Reasons for invalid entry of odometer readings:

- The screens can be very hard to see in strong sunlight and extra or incorrect digits were sometimes entered.
- In one instance the employee used a state vehicle less than once per year and did not remember to check the odometer before exiting the vehicle. It was 5AM, the employee had already been driving for one hour and had four hours to go before a scheduled meeting, so the employee quickly entered an estimate.

Oil Conservation Division's Wright Express invoice verification process:

An incorrect odometer entry is recognizable if the monthly Wright Express invoice is printed in date sequence by gas card (vehicle). Since the Wright Express invoices are subject to late fees, in FY10 it was the division's practice to pull copies of the invoices from the web rather than waiting for the hard copy invoices that went to the division's three remote offices; the web invoices were in date order but not by date order per vehicle. The Santa Fe office performed its validation from the web copies. This validation included:

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule of Findings and Questioned Costs - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

10-01 GASOLINE CREDIT CARD DISBURSEMENTS - continued

Management's Response – continued:

- Verification that any non-gasoline charge was supported by a receipt and was for a business purpose, such as an oil change, windshield wipers or ice for soil samples.
- Verification that the purchase was made in the location the employee was assigned to or on an authorized business trip. If a purchase was made out of state, verification was made that the employee was covered by an out-of-state waiver.
- Verification that the purchase was made during or near business hours.
- Verification that the employee had a current defensive driving certificate.

The hard copy invoices were attached to the web copies later as they arrived from the districts; the auditors reviewed the hard copy invoices on which an incorrect odometer reading was more recognizable since the charges appeared by vehicle by date.

Remediation:

In May, 2010, the division learned that an employee used a state gas card for his personal vehicle. After the investigation, the Division Director published a policy on July 7, 2010 regarding use of the Wright Express cards. This policy includes the following and is being actively enforced:

- A daily trip book for each vehicle documenting the license plate, employee, date, beginning mileage, destination, ending mileage, the vehicle's condition, type of fuel purchased, number of gallons, total cost, oil change cost, service description and cost, and other purchase descriptions and costs. The employee must fill out this form at the beginning of the day, when using the Wright Express card, and at the end of the day.
- The mileage on the day of the gas purchase must match the mileage on the trip book. The field manager inspects the odometer and matches it to the trip book on an unannounced basis at least once per month. The field manager also validates the condition of the vehicle as documented in the trip book.
- The card must remain in the vehicle.
- The trip book page for the month and all receipts for non-fuel purchases must be turned in once a month. They are compared to the Wright Express invoice and approved by the field supervisor.
- The accounts payable specialist in Santa Fe thoroughly reviews each invoice making sure that the mileage on the Wright Express invoice matches the odometer readings for each day items were purchased, and that every column on the trip book has been filled in as required.
- We no longer pay from the web version of the invoice, so incorrect keying of mileage is easy to identify. Any discrepancies are brought to the attention of the employee and documented.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Schedule of Findings and Questioned Costs - continued

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

None.

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT

Summary Schedule of Prior Year Audit Findings

09-01 Revenue Recognition – Resolved

09-02 Per Diem Payments – Resolved

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT**

Exit Conference

An exit conference was held with the Department on December 6, 2010. The conference was held at the Department's offices in Santa Fe, New Mexico. In attendance were:

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

Jim Noel, Cabinet Secretary
Karen Garcia, Deputy Cabinet Secretary
Kim Keahbone, CPA, Chief Financial Officer

MEYNEERS + COMPANY, LLC

Janet Pacheco-Morton, CPA, CGFM, Director
Laura Beltran Schmitz, CPA, CFE, Supervising-Senior

PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by the independent auditor. However, they are the responsibility of management, as addressed in the Independent Auditors' Report.