

STATE OF NEW MEXICO
ENERGY, MINERALS, AND
NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico

FINANCIAL STATEMENTS
June 30, 2011

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**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
OFFICIAL ROSTER
June 30, 2011**

Office of the Secretary

John H. Bemis, Cabinet Secretary

Brett F. Woods, Deputy Cabinet Secretary

Division Directors

Alexis Lotero, Director, Administrative Services
and Chief Financial Officer

Kim Keahbone, CPA, Accounting Manager

Fernando Martinez, Director, Mining and Minerals

Jami Bailey, Director, Oil Conservation

Louise Martinez, Acting Director, Energy Conservation and Management

Tony Delfin, Director, Forestry Division

Tommy Mutz, Director, State Parks Division

Joe I. Montano, Information Systems Manager

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 Department. They do not purport to, and do not, present fairly the financial position of the entire State of New Mexico as of June 30, 2011, and the 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, 2011, 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, 2011, and the respective changes in financial position thereof, and the respective budgetary 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 December 13, 2011, 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 4 through 16 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.

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 supplemental schedules and supplemental information" in the table of contents, including the Schedule of Changes in Assets and Liabilities for Agency Funds, 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.

Clifton Gunderson LLP

Albuquerque, New Mexico
December 13, 2011

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

The State of New Mexico Energy, Minerals, and Natural Resources Department's (the Department) management's 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 increased by \$16,213,672 in fiscal year 2011.
- The Department's total revenues increased by \$34,258,025 for fiscal year 2011.
- The total cost of all Department programs was \$86,827,306, an increase of \$17,187,932 for fiscal year 2011.

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.

Renewable Energy and Energy Efficiency. The Energy Conservation and Management Division (ECMD) plans and administers the Renewable Energy and Energy Efficiency Program to "Develop and implement effective clean energy programs — renewable energy, energy efficiency and conservation, alternative transportation and fuels — to promote environmental and economic sustainability for New Mexico and its citizens. The Program's goals of reduced energy consumption and expenditures leads to many achievements for the state, including

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generation of new jobs and revenues; environmental protection and improvement; enhancement of public health; decreased consumptive water use for power generation; lessened dependence on foreign oil; and greater energy security.

ECMD provides services to implement statutorily-required state and federal clean energy programs. Technical assistance is provided to the general public, industry and state-funded agencies on renewable energy, energy efficiency, conservation, alternative transportation and building codes. Beneficiaries vary by program area and include individual citizens/taxpayers, corporate taxpayers, landowners, facility owners, utilities, renewable energy developers and private-sector businesses and vendors contracted for energy efficiency and renewable energy projects. Public sector beneficiaries include public schools, universities and community colleges; state government agencies, cities, counties and tribal organizations.

In the future, ECMD will focus on providing oversight for five Clean Energy tax incentive programs, review of technical studies to provide certifications as required by law, monitor Clean Energy Projects and compile reports required under existing federal and state legislation.

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 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.

The 2011 Fire Season was above average in terms of number of acres burned and number of fires. This year, the Division had 1,039 fires that burned approximately 611,590 acres. The Division believes the pre-positioning of additional fire suppression forces helped to keep many fires small and less expensive.

The FY 2012 fire season's predicted weather pattern is above normal significant fire potential across New Mexico. 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.

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.

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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 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.

Fires, drought, reduced water levels, threatened aquatic infestations and potential health risks have adversely impacted the Division's revenues by forcing the Division to temporarily close seven parks. However, the Division continues to demonstrate accomplishments by exceeding the legislative performance measures while delivering first-class visitor service. Visitation during fiscal year 2011 was approximately 4 percent lower than in FY 2010, while self-generated fee revenue from camping and day-use fees increased slightly by 1 percent over FY10. The Division is working to further increase and diversify funding sources and programs by creating new revenue opportunities such as expanding concessions and offering advertisement opportunities to the local businesses.

During FY11, the State Parks Division made significant progress on several major capital projects to include the completion of a new entrance complex at Elephant Butte Lake State Park, a new education building at the Rio Grande Nature Center, a new water treatment plant at Navajo Lake State Park and nearly completed visitor center and maintenance facility at Cerrillos Hills State Park. Expanded installation of energy efficient photovoltaic projects continue to help combat rising energy costs.

State Parks also continues to effectively implement the boating safety education law and has expanded efforts in collaboration with the Game and Fish Department and other stakeholders to administer and combat the devastation caused by Aquatic Invasive Species such as zebra and quagga mussels. Additionally, the Division continues to build a nationally-recognized "Outdoor

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Classroom Program” and continue the hiking and off-road trail use systems both inside state parks and throughout New Mexico.

Oil and Gas Conservation Program. The Oil Conservation Division regulates oil, gas and geothermal activity in New Mexico. It gathers oil and gas well production data; permits new oil, gas and injection wells; enforces the Division's rules and state oil and gas statutes; and ensures that abandoned wells are properly plugged and that the land is responsibly restored. The Division's goals are to promote balanced, consistent, fair and transparent regulation of the oil and gas industry; to prevent the waste of oil, gas or geothermal resources of the state; to protect correlative rights of the owners of those resources and to foster the efficient development of those reserves; and to protect human health and the environment while developing the state's oil, gas and geothermal resources.

Calendar year 2011 is on track to be a very high permit year, and the record number of wells that were permitted two years ago are now being drilled, a phase which requires on-site visits and multiple permits for each well.

Program Support. Program Support consists of the Office of the Secretary (OFS), as well as the administrative support functions (legal, HR, fiscal and IT). The purpose of the program is to support department program functions, the Energy, Conservation and Management Division, Forestry Division, State Parks Division, Mining and Minerals Division and the Oil Conservation Division by providing administrative services as well as policy direction and management.

In addition to providing policies and guidance, the OFS administers the Waste Isolation Pilot Plant (WIPP) Program. OFS will continue to work in partnership with the New Mexico Environment Department, Department of Health, State Fire Marshal's Office, Department of Homeland Security and the Department of Public Safety to prepare New Mexico's emergency responders along the WIPP route. The IT office approves all IT purchases for the Department and maintains the Department's network infrastructure. The Office is responsible for submitting the IT plan for the Department and works with Department of Information Technology on IT policies and procedures. ASD directs the Department's financial operations, particularly budget and accounting, human resources and support services. The Program beneficiaries are Energy, Conservation and Management, Forestry, State Parks, Mining and Minerals and the Oil Conservation Divisions.

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.

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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.

Governmental Accounting Standards Board (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 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-

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term focus of the government-wide statements, reconciliations between the government-wide statements and the fund financial statements are 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.

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.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, 2011. Total Department net assets for fiscal year 2011 were \$95,361,469. Unrestricted net assets in Governmental Activities were \$4,019,759 at the end of the fiscal year. Restricted net assets including capital projects, debt service and special appropriations were \$32,979,687. The balance of \$58,362,023 in net assets represent those invested in capital assets, net of related debt (buildings, equipment, etc.).

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

	<u>FY 2011</u>	<u>FY2010</u>	<u>Amount Change</u>	<u>Total % Change</u>
Assets:				
Current and other assets	\$ 55,507,004	\$ 39,562,132	\$15,944,872	40%
Capital and non-current assets	<u>74,435,100</u>	<u>72,402,607</u>	<u>2,032,493</u>	3%
Total assets	<u>\$129,942,104</u>	<u>\$111,964,739</u>	<u>\$17,977,365</u>	16%
Liabilities:				
Current liabilities	\$ 19,813,959	\$ 15,797,854	\$ 4,016,105	25%
Long-term liabilities	<u>14,766,676</u>	<u>17,019,088</u>	<u>(2,252,412)</u>	(13%)
Total liabilities	<u>34,580,635</u>	<u>32,816,942</u>	<u>1,763,693</u>	5%
Net assets:				
Invested in capital assets, net of related debt	58,362,023	54,650,638	3,711,385	7%
Restricted	32,979,687	7,742,371	25,237,316	326%
Unrestricted	<u>4,019,759</u>	<u>16,754,788</u>	<u>(12,735,029)</u>	(76%)
Total net assets	<u>95,361,469</u>	<u>79,147,797</u>	<u>16,213,672</u>	20%
Total liabilities and net assets	<u>\$129,942,104</u>	<u>\$111,964,739</u>	<u>\$17,977,365</u>	16%

The Department's net assets increased \$16,213,672 over the course of this fiscal year's operations. The following financial information is a comparison of net assets for 2011 and 2010.

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

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obligations and compensated absences payable. Net assets are comprised of investment in capital assets, restricted and unrestricted amounts. In 2011, the amount that was restricted was used to illustrate restricted amounts in the fund financial statements as stated above.

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 increased by \$8,524,015 from fiscal year 2010. Also there was an increase in net receivables of \$7,738,328 from fiscal year 2010. Net capital assets increased from the fiscal year 2010 stated amount by \$2,032,493, partly due to including projects in process.

Total liabilities. In current liabilities, some factors contributing to the variance were a decrease in accrued payroll, which decreased \$440,366, and the amount of Due to State General Fund, which decreased by \$39,173. Other liabilities, such as accounts payable, increased from FY10 in the amount of \$2,793,895.

Total net assets. The net assets for the Department increased from 2010 by \$16,213,672. The Department's total revenue increased by approximately 53% from \$73,050,314 to \$116,013,344. The Department's total expenses increased by approximately 25% from \$69,639,374 to \$86,827,306. Total net assets increased by approximately 20% from \$79,147,797 to \$95,361,469.

Changes in Net Assets

The Department's change in net assets for fiscal year 2011 was an increase of \$16,213,672 (see Table A-2). A significant portion, thirty-five percent (35%), of the Department's revenue comes from State General Fund Appropriations. Forty-four percent (44%) comes from operating grants and contributions, which includes Federal grant revenue of approximately \$50 million, seven percent (7%) comes from gross receipts tax and four percent (4%) comes from charges for services.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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**Table A-2
Changes in the Department's Net Assets**

	<u>FY 2011</u>	<u>FY2010</u>	<u>Amount Change</u>	<u>Total % Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 5,005,840	\$ 5,112,552	\$ (106,712)	(2%)
Operating grants and contributions	<u>50,650,015</u>	<u>23,379,446</u>	<u>27,270,569</u>	117%
Total program revenues	55,655,855	28,491,998	27,163,857	95%
General revenues:				
Appropriations, net of Reversions	40,303,186	29,229,661	11,073,525	38%
Interest	11,670	28,109	(16,439)	(59%)
Gross Receipts Tax	7,859,510	7,295,223	564,287	8%
Bond proceeds – Severance Tax	5,130,082	3,123,419	2,006,663	64%
Gasoline Tax	191,746	193,983	(2,237)	(1%)
Conservation Tax	4,200,459	1,907,699	2,292,760	120%
Other	<u>2,660,836</u>	<u>2,780,222</u>	<u>(119,386)</u>	(4.3%)
Total general revenues	<u>60,357,489</u>	<u>44,558,316</u>	<u>15,799,173</u>	35%
Total revenues	116,013,344	73,050,314	42,963,030	59%
Expenses:				
Natural resources and recreation	86,827,306	69,639,374	17,187,932	25%
Interagency transfers, net	<u>(12,972,366)</u>	<u>(4,267,361)</u>	<u>(8,705,005)</u>	(204%)
Change in net assets	16,213,672	(856,421)	17,070,093	1,993%
Net assets, beginning of year	<u>79,147,797</u>	<u>80,004,218</u>	<u>(856,421)</u>	(1%)
Net assets, end of year	<u>\$ 95,361,469</u>	<u>\$ 79,147,797</u>	<u>\$ 16,213,672</u>	20%

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, conservation tax, interest, gasoline tax and other miscellaneous revenue. Also included in revenue are charges for services of \$5,005,840, 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
June 30, 2011**

Total Expenses. The expenses consist primarily 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 million, which is mainly comprised of adjustments made for depreciation and compensated absences.

Program	Expenses	Percentage Spent by Program
Renewable Energy & Energy Efficiency	\$14,638,065	18%
Forestry & Fire Disasters	26,923,149	34%
Mine Reclamation	5,632,256	7%
Oil and Gas Conservation	5,285,733	6%
State Parks	20,498,102	26%
Program Support	3,724,669	5%
Youth Conservation Corps	<u>3,085,257</u>	<u>4%</u>
	<u><u>\$79,787,231</u></u>	<u><u>100%</u></u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Fund Balance

As the Department completed the year, its governmental funds reported a combined fund balance of \$39,298,393, which is \$12,852,113 higher than last year. There was a significant increase in federal funds this year. There was a significant deficiency of revenues under expenditures, but this deficiency decreased from FY10 by approximately \$10 million dollars.

The ending fund balance of \$39 million is comprised of amounts restricted and committed. The restricted fund balance is approximately \$35.6 million. Committed fund balance has a balance of approximately \$3.6 million at year end.

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 general fund has a current change in fund balance of \$(146,492).

Besides the general fund, the other major funds were the Emergency Fire Disaster Fund, Abandoned Mine Reclamation Fund, State Parks, ARRA, Debt Service and the EMNRD Capital Projects GGRT Fund. Changes in these fund balances from FY10 are as follows:

- The Emergency Fire Disaster fund increased by \$12,256,478.
- The Abandoned Mine Reclamation fund increased by \$8,576.
- The State Parks fund decreased by \$1,278,537.
- The Debt Service fund decreased by \$2,010,133.
- The Capital Projects GGRT fund increased by \$1,079,424.

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.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

- Budget adjustment requests that increase or decrease other state funds based on actual revenues.

The Department expended \$0 of the special appropriations carried over from prior years in FY 2011.

The Department received several capital project appropriations for FY 2011.

The Governor issued 29 executive orders for FY 2011 for emergency fire suppression activities in the amount of \$21,950,000.

Capital Assets and Debt Administration

At the end of fiscal year 2011, the Department has invested a total of \$140,261,695 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 \$3,226,371, which is approximately 2% 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.

**Table A-3
Department's Capital Assets**

	(Dollars in Millions)			
	FY 2011	FY 2010	Amount Change	Total % Change
Land	\$ 12.5	\$ 11.9	\$ 0.6	5%
Land Improvements	27.5	25.0	2.5	10%
Buildings and Improvements	73.7	70.2	3.5	5%
Equipment and Machinery	13.8	13.4	0.4	3%
Furniture and Fixtures	.5	.5	-	0%
Vehicles and Automotive	8.0	8.5	(0.5)	(6%)
Data Processing Equipment	.6	3.3	(2.7)	(82%)
Museum Acquisitions	.5	.6	(0.1)	(17%)
Projects in process	2.9	3.6	(0.7)	(19%)
	\$ 140.0	\$ 137.0	\$ 3.0	2%

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 5 to the financial statements. Accumulated depreciation for these capital assets is calculated at \$65,826,595.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

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 2011, the amount outstanding on these obligations was \$16 million. Detailed information about the Department's long-term debt is presented in Note 7 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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF NET ASSETS
June 30, 2011**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 39,896
Investment in State Treasurer General	
Fund Investment Pool	31,319,127
Restricted Cash	2,437,904
Receivables:	
Federal government	14,761,735
Due from fiduciary fund	81,425
Due from other state agencies	6,750,013
Other receivables	116,904
Total current assets	55,507,004
NON-CURRENT ASSETS	
Capital assets	140,261,695
Less: accumulated depreciation	(65,826,595)
Total non-current assets	74,435,100
 TOTAL ASSETS	 \$ 129,942,104

	Governmental Activities
LIABILITIES	
Accounts payable	\$ 11,453,938
Accrued interest payable	380,543
Due to fiduciary fund	36,815
Due to State General Fund	1,434,536
Due to other state agencies	1,970,659
Accrued payroll	1,312,663
Current portion of compensated absences payable	1,475,842
Current portion of long-term obligations	<u>1,748,963</u>
Total current liabilities	<u>19,813,959</u>
LONG-TERM OBLIGATIONS	
Non-current compensated absences	442,562
Non-current portion of long-term obligations	<u>14,324,114</u>
Total long-term obligations	<u>14,766,676</u>
TOTAL LIABILITIES	<u>34,580,635</u>
NET ASSETS	
Invested in capital assets, net of any related debt	58,362,023
Restricted for:	
Capital projects	3,881,327
Debt services, net of accrued interest payable	2,067,738
Special monies	27,030,622
Unrestricted	<u>4,019,759</u>
Total net assets	<u>95,361,469</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 129,942,104</u>

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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011**

	Governmental Activities
EXPENSES	
Renewal Energy Program	\$ 15,721,257
Healthy Forests Program	18,759,592
State Parks Program	22,014,928
Mine Reclamation Program	6,049,034
Oil & Gas Conservation Program	5,676,869
Program Support	4,121,906
Conservation	3,313,561
Fire disasters	10,155,826
Interest	940,935
Other	73,398
Total expenses	86,827,306
PROGRAM REVENUE	
Charges for services	5,005,840
Operating grants and contributions	50,650,015
Net program revenue (expense)	(31,171,451)
GENERAL REVENUES AND TRANSFERS	
Appropriations (net of reversions)	40,303,186
Interest	11,670
Gross receipts tax	7,859,510
Conservation taxes	4,200,459
Gasoline tax	191,746
Bond proceeds - severance tax	5,130,082
Inter-agency transfers	(12,972,366)
Gain on sale of equipment	99,229
Other revenue	2,561,607
Total general revenues and transfers	47,385,123
CHANGE IN NET ASSETS	16,213,672
NET ASSETS, BEGINNING OF YEAR	79,147,797
NET ASSETS, END OF YEAR	\$ 95,361,469

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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2011**

	<u>General Fund 19900</u>	<u>Emergency Fire Disaster Fund 21300</u>	<u>Abandoned Mine Reclamation Fund 65600</u>
ASSETS			
Cash and cash equivalents	\$ 3,499	\$ -	
Investment in State Treasurer General Fund Investment Pool	-	12,137,983	4,690,543
Restricted cash	-	-	-
Receivables:			
Federal government	5,326,011	2,614,724	-
Due from other funds	432,358	4,583,924	-
Due from fiduciary fund	-	-	-
Due from other state agencies	244,365	3,750,000	417
Other receivables	<u>34,614</u>	<u>817</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 6,040,847</u>	<u>\$ 23,087,448</u>	<u>\$ 4,690,960</u>
LIABILITIES			
Accounts payable	\$ 1,281,774	\$ 4,060,220	\$ -
Due to other funds	3,218,711	277,317	-
Due to Fiduciary Fund	194	-	-
Due to State General Fund	81,616	1,190,966	-
Due to other state agencies	544,436	57,383	-
Accrued payroll	<u>561,284</u>	<u>185,528</u>	<u>-</u>
Total liabilities	<u>5,688,015</u>	<u>5,771,414</u>	<u>-</u>
FUND BALANCES			
Restricted	-	17,316,034	4,690,960
Committed	<u>352,832</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>352,832</u>	<u>17,316,034</u>	<u>4,690,960</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,040,847</u>	<u>\$ 23,087,448</u>	<u>\$ 4,690,960</u>

<u>Major</u>	<u>Funds</u>			<u>Other</u>	<u>Total</u>
<u>State Parks</u>	<u>ARRA</u>	<u>Debt</u>	<u>EMNRD</u>	<u>Governmental</u>	<u>Governmental</u>
<u>Fund 20010</u>	<u>Fund 89000</u>	<u>Service</u>	<u>Capital Projects</u>	<u>Funds</u>	
		<u>Fund 30000</u>	<u>GGRT Fund 64600</u>		
\$ 36,397	\$ -	\$ -	\$ -	\$ -	\$ 39,896
2,432,309	-	10,377	3,431,653	8,616,262	31,319,127
-	-	2,437,904	-	-	2,437,904
2,079,691	4,741,309	-	-	-	14,761,735
4,479	-	-	103,680	64,750	5,189,191
81,425	-	-	-	-	81,425
331,919	500	-	393,901	2,028,911	6,750,013
62,741	-	-	-	18,732	116,904
<u>\$ 5,028,961</u>	<u>\$ 4,741,809</u>	<u>\$ 2,448,281</u>	<u>\$ 3,929,234</u>	<u>\$ 10,728,655</u>	<u>\$ 60,696,195</u>
\$ 1,136,896	\$ 2,324,792	\$ -	\$ 208,212	\$ 2,442,044	\$ 11,453,938
166,484	1,169,866	-	11,874	344,939	5,189,191
35,744	-	-	-	877	36,815
-	-	-	-	161,954	1,434,536
196	1,237,621	-	-	131,023	1,970,659
490,754	9,530	-	7,159	58,408	1,312,663
<u>1,830,074</u>	<u>4,741,809</u>	<u>-</u>	<u>227,245</u>	<u>3,139,245</u>	<u>21,397,802</u>
-	-	2,448,281	3,701,989	7,501,913	35,659,177
3,198,887	-	-	-	87,497	3,639,216
<u>3,198,887</u>	<u>-</u>	<u>2,448,281</u>	<u>3,701,989</u>	<u>7,589,410</u>	<u>39,298,393</u>
<u>\$ 5,028,961</u>	<u>\$ 4,741,809</u>	<u>\$ 2,448,281</u>	<u>\$ 3,929,234</u>	<u>\$ 10,728,655</u>	<u>\$ 60,696,195</u>

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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF NET ASSETS
June 30, 2011**

Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)	\$ 39,298,393
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

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

The cost of capital assets is	140,261,695
Accumulated depreciation is	<u>(65,826,595)</u>

Total capital assets	74,435,100
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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	(16,073,077)
Accrued interest payable	(380,543)
Compensated absences payable	<u>(1,918,404)</u>

Total long-term and other liabilities	<u>(18,372,024)</u>
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Net assets of governmental activities (Statement of Net Assets)	<u>\$ 95,361,469</u>
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The accompanying notes are an integral part of the financial statements.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2011**

	General Fund 19900	Emergency Fire Disaster Fund 21300	Abandoned Mine Reclamation Fund 65600
REVENUES			
Boating fees	\$ -	\$ -	\$ -
Interest	-	-	8,576
Park admissions	29,204	-	-
Lease and rental income	980	-	-
Federal funds	13,473,214	2,635,982	-
Concession income	-	-	-
Gross receipts tax	-	-	-
Conservation taxes	-	-	-
Gasoline tax	-	-	-
Other	90,637	356,853	-
	<u>13,594,035</u>	<u>2,992,835</u>	<u>8,576</u>
Total revenues			
EXPENDITURES			
Current:			
Renewable Energy Program	1,443,429	-	-
Healthy Forests Program	10,208,828	-	-
State Parks Program	-	-	-
Mine Reclamation Program	4,894,147	-	-
Oil & Gas Conservation Program	4,214,683	-	-
Program Support	3,724,669	-	-
Conservation	-	-	-
Fire disasters	-	9,456,091	-
Capital outlay	175,118	-	-
Debt service-principal	-	-	-
Debt service-interest	-	-	-
Debt service-miscellaneous	-	-	-
	<u>24,660,874</u>	<u>9,456,091</u>	<u>-</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,066,839)	(6,463,256)	8,576
OTHER FINANCING SOURCES (USES)			
Inter-agency transfers - State general fund appropriation:			
Regular	11,580,600	-	-
Governor's Executive Orders	-	21,750,000	-
Intra-agency transfers, net	479,179	(214,817)	-
Inter-agency transfers - reversions	(81,616)	(2,815,449)	-
Inter-agency transfers - severance tax	-	-	-
Inter-agency transfers - other, net	(1,057,816)	-	-
Proceeds from sale of capital assets	-	-	-
	<u>10,920,347</u>	<u>18,719,734</u>	<u>-</u>
NET OTHER FINANCING SOURCES (USES)			
	<u>10,920,347</u>	<u>18,719,734</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(146,492)	12,256,478	8,576
FUND BALANCES, BEGINNING OF YEAR	<u>499,324</u>	<u>5,059,556</u>	<u>4,682,384</u>
FUND BALANCES, END OF YEAR	<u>\$ 352,832</u>	<u>\$ 17,316,034</u>	<u>\$ 4,690,960</u>

Major		Funds				Other	Total
State Parks	ARRA	Debt	EMNRD		Governmental	Governmental	
Fund 20010	Fund 89000	Service	Capital Projects	GGRT Fund 64600	Funds		
		Fund 30000					
\$ 494,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 494,115	
251	-	2,823	-	-	20	11,670	
1,405,219	-	-	-	-	-	1,434,423	
2,693,574	-	-	-	-	-	2,694,554	
2,875,974	31,664,845	-	-	-	-	50,650,015	
382,748	-	-	-	-	-	382,748	
-	-	-	4,590,151	-	3,269,359	7,859,510	
-	-	-	-	-	4,200,459	4,200,459	
-	-	-	-	-	191,746	191,746	
698,146	-	-	6,564	-	1,409,407	2,561,607	
<u>8,550,027</u>	<u>31,664,845</u>	<u>2,823</u>	<u>4,596,715</u>		<u>9,070,991</u>	<u>70,480,847</u>	
-	12,897,290	-	-	-	297,346	14,638,065	
-	6,899,667	-	-	-	358,563	17,467,058	
17,784,807	-	-	1,204,268	-	1,509,027	20,498,102	
-	-	-	-	-	738,109	5,632,256	
-	-	-	-	-	1,071,050	5,285,733	
-	-	-	-	-	-	3,724,669	
-	-	-	-	-	3,085,257	3,085,257	
-	-	-	-	-	-	9,456,091	
2,232,025	-	-	1,859,181	-	3,737,745	8,004,069	
10,093	-	1,668,799	-	-	-	1,678,892	
-	-	712,727	-	-	-	712,727	
-	-	73,398	-	-	-	73,398	
<u>20,026,925</u>	<u>19,796,957</u>	<u>2,454,924</u>	<u>3,063,449</u>		<u>10,797,097</u>	<u>90,256,317</u>	
(11,476,898)	11,867,888	(2,452,101)	1,533,266		(1,726,106)	(19,775,470)	
10,109,500	-	-	-	-	-	21,690,100	
-	-	-	-	-	-	21,750,000	
(162,181)	-	441,968	(453,842)	-	(90,307)	-	
-	-	-	-	-	(239,849)	(3,136,914)	
-	-	-	-	-	5,130,082	5,130,082	
84,361	(11,867,888)	-	-	-	(131,023)	(12,972,366)	
166,681	-	-	-	-	-	166,681	
<u>10,198,361</u>	<u>(11,867,888)</u>	<u>441,968</u>	<u>(453,842)</u>		<u>4,668,903</u>	<u>32,627,583</u>	
(1,278,537)	-	(2,010,133)	1,079,424		2,942,797	12,852,113	
<u>4,477,424</u>	<u>-</u>	<u>4,458,414</u>	<u>2,622,565</u>		<u>4,646,613</u>	<u>26,446,280</u>	
<u>\$ 3,198,887</u>	<u>\$ -</u>	<u>\$ 2,448,281</u>	<u>\$ 3,701,989</u>		<u>\$ 7,589,410</u>	<u>\$ 39,298,393</u>	

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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPEDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2011**

Net Changes in Fund Balances - Total Governmental Funds \$ 12,852,113
(Statement of Revenues, Expenditures, and Changes in Fund Balances)

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 increase in the liabilities for the fiscal year was: (121,618)

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: 1,678,892

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 increase in the liability for the fiscal year was: (228,208)

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 5)	10,590,168	
Reclassification of projects in process	(2,586,099)	

Capital outlay	8,004,069	
Depreciation expense	(5,904,124)	

Excess of capital outlay over depreciation expense 2,099,945

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: (67,452)

Change in net assets of governmental activities (Statement of Activities) **\$ 16,213,672**

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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

GENERAL FUND - TOTAL				
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
State General Fund appropriation:				
Regular	\$ 11,614,300	\$ 11,580,600	\$ 11,580,600	\$ -
Special	-	-	-	-
Other state funds	29,100	110,900	120,821	9,921
Federal funds	19,935,500	21,715,415	13,473,214	(8,242,201)
Interest Income	-	-	-	-
Other financing sources	1,049,600	975,200	503,979	(471,221)
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ 32,628,500</u>	<u>\$ 34,382,115</u>	25,678,614	<u>\$ (8,703,501)</u>
EXPENDITURES:				
Personal services and benefits	\$ 15,026,700	\$ 15,196,500	14,314,962	\$ 881,538
Contractual services	6,075,500	6,703,515	3,799,185	2,904,330
Other costs	9,923,900	10,879,700	6,596,077	4,283,623
Other financing uses	<u>1,602,400</u>	<u>1,602,400</u>	<u>1,082,616</u>	<u>519,784</u>
TOTAL EXPENDITURES	<u>\$ 32,628,500</u>	<u>\$ 34,382,115</u>	<u>25,792,840</u>	<u>\$ 8,589,275</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			(114,226)	
GAAP BASIS RECONCILIATION				
Reversions			(81,616)	
Timing difference related to accounts payable			<u>49,350</u>	
GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ (146,492)</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS)(CONTINUED)
Year Ended June 30, 2011**

EMERGENCY FIRE DISASTER FUND				
Budgeted Amounts		Actual	Variance From	
Original	Final	Amounts	Final Budget	
Original	Final	(Budgetary Basis)	Positive (Negative)	
REVENUES				
State General Fund appropriation:				
Executive orders	\$ -	\$ 21,750,000	\$ 21,750,000	\$ -
Federal funds	-	-	2,635,982	2,635,982
Other	-	-	356,853	356,853
Cash balance rebudgeted	<u>4,558,009</u>	<u>4,558,009</u>	<u>-</u>	<u>(4,558,009)</u>
TOTAL REVENUES	<u>\$ 4,558,009</u>	<u>\$ 26,308,009</u>	24,742,835	<u>\$ (1,565,174)</u>
EXPENDITURES:				
Personal services and benefits	\$ 6,312	\$ 1,009,612	961,678	\$ 47,934
Contractual Services	-	-	-	-
Other costs	4,528,175	25,078,175	7,094,147	17,984,028
Other financing uses	<u>23,522</u>	<u>220,222</u>	<u>214,817</u>	<u>5,405</u>
TOTAL EXPENDITURES	<u>\$ 4,558,009</u>	<u>\$ 26,308,009</u>	<u>8,270,642</u>	<u>\$ 18,037,367</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			16,472,193	
GAAP BASIS RECONCILIATION				
Reversions			(2,815,449)	
Timing difference related to accounts payable			<u>(1,400,266)</u>	
GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 12,256,478</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS)(CONTINUED)
Year Ended June 30, 2011**

	ABANDONED MINE RECLAMATION			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
State General Fund appropriation:				
Regular	\$ -	\$ -	\$ -	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	-	-	-	-
Interest Income	-	-	8,576	8,576
Other financing sources	-	-	-	-
Cash balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	8,576	<u>\$ 8,576</u>
EXPENDITURES				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual Services	-	-	-	-
Other costs	-	-	-	-
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 8,576</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS)(CONTINUED)
Year Ended June 30, 2011**

	STATE PARKS			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
REVENUES				
State General Fund appropriation:				
Regular	\$ 10,109,500	\$ 10,109,500	\$ 10,109,500	\$ -
Special	-	-	-	-
Motor vehicle excise tax	568,700	568,700	494,115	(74,585)
Other state funds	5,031,300	5,056,300	5,179,938	123,638
Federal funds	8,079,000	8,079,000	2,875,974	(5,203,026)
Other financing sources	315,000	315,000	251,042	(63,958)
Cash balance rebudgeted	<u>800,000</u>	<u>1,800,552</u>	<u>-</u>	<u>(1,800,552)</u>
TOTAL REVENUES	<u>\$ 24,903,500</u>	<u>\$ 25,929,052</u>	18,910,569	<u>\$ (7,018,483)</u>
EXPENDITURES				
Personal services and benefits	\$ 12,445,300	\$ 12,856,300	12,645,677	\$ 210,623
Contractual Services	4,119,500	4,119,500	1,199,050	2,920,450
Other costs	8,174,900	8,724,900	6,222,860	2,502,040
Other financing uses	<u>163,800</u>	<u>228,352</u>	<u>162,181</u>	<u>66,171</u>
TOTAL EXPENDITURES	<u>\$ 24,903,500</u>	<u>\$ 25,929,052</u>	<u>20,229,768</u>	<u>\$ 5,699,284</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			(1,319,199)	
GAAP BASIS RECONCILIATION				
Reversions			-	
Timing difference related to accounts payable			<u>40,662</u>	
GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ (1,278,537)</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS)(CONTINUED)
Year Ended June 30, 2011**

	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	51,008,600	51,208,600	31,664,845	(19,543,755)
Other financing sources	-	-	-	-
Cash balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ 51,008,600</u>	<u>\$ 51,208,600</u>	31,664,845	<u>\$ (19,543,755)</u>
EXPENDITURES				
Personal services and benefits	\$ 2,567,380	\$ 2,939,100	698,950	\$ 2,240,150
Contractual Services	30,940,614	26,501,800	15,978,041	10,523,759
Other costs	5,338,216	5,545,300	2,962,237	2,583,063
Other financing uses	<u>12,162,393</u>	<u>16,222,400</u>	<u>12,509,790</u>	<u>3,712,610</u>
TOTAL EXPENDITURES	<u>\$ 51,008,603</u>	<u>\$ 51,208,600</u>	<u>32,149,018</u>	<u>\$ 19,059,582</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			(484,173)	
GAAP BASIS RECONCILIATION				
Reversions			-	
Timing difference related to accounts payable			<u>484,173</u>	
GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ -</u>	

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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2011**

	<u>Agency Funds</u>
ASSETS	
Investments in State General Investment Pool	\$ 21,263
Due from other funds	36,815
Interest receivable	2
Due from other state agencies	<u>162,850</u>
TOTAL ASSETS	<u>\$ 220,930</u>
LIABILITIES	
Accounts payable	\$ -
Due to other funds	81,425
Due to other state agencies	36,815
Due to state general fund	81,425
Deposits held in custody for others	<u>21,265</u>
TOTAL LIABILITIES	<u>\$ 220,930</u>

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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 – DEFINITION OF 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 accompanying financial statements of the Department include all funds and activities over which the Department has oversight responsibility. Even though the Governor appoints the Department Secretary, the Secretary has decision-making authority, the power to designate management, the responsibility to significantly influence operations and is primarily accountable for fiscal matters.

The Department is part of the primary government of the State of New Mexico, and its financial data is included with the financial data in the State of New Mexico's Comprehensive Annual Financial Report. These financial statements present financial information that is attributable to the Department and does not purport to present the financial position of the State of New Mexico.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates in Preparing Financial Statements

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

Financial Reporting Entity

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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Department as a whole) and fund financial statements. The 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).

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 funds 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.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 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 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.

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
June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Fund (31600) – Stripper Well – Petroleum Violation Escrow Fund (non-reverting) was 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 account: Stripper Well.

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.

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.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 (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 County. 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.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 9-5B-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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

appropriated to the Department 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.

Capital Projects Fund (89200) - The Capital Projects Fund was established to track severance tax funded capital projects that were appropriated in Laws of 2010 and future years.

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) - 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 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.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Gross Receipts Tax Suspense Fund (77400) - The Governmental Gross Receipts Tax (GGRT) 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.

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.

**STATE OF NEW MEXICO ENERGY, MINERALS,
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NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2011 was \$712,727.

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.

Fund Balances

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted or unrestricted (committed, assigned or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the Legislature's and Executive Branch's intent to be used for specific purposes or, in some cases, by legislation. See Note 18 for additional information about fund balances.

**STATE OF NEW MEXICO ENERGY, MINERALS,
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NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 include a reconciliation to 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

**STATE OF NEW MEXICO ENERGY, MINERALS,
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June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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, 2011, and includes direct and incremental salary related payments, such as the employees' share of social security taxes.

Short-Term Debt

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

**STATE OF NEW MEXICO ENERGY, MINERALS,
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NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 various coverages. Please refer to Notes 16 and 17 for additional information.

NOTE 3 - 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.

NOTE 4 - 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, 2011.

**STATE OF NEW MEXICO ENERGY, MINERALS,
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June 30, 2011**

NOTE 4 - CASH DEPOSIT ACCOUNTS AND INVESTMENTS (CONTINUED)

Account Name	Account Number	Type	Balances June 30, 2011
General Fund:			
Operating Fund	199-521	State Treasury Account	\$ -
Petty cash	N/A	Petty cash accounts	2,850
Bank accounts (see Schedule 2)	Various	Various banks	649
Special Revenue Funds:			
State Parks	2001-521	State Treasury Account	2,432,309
State Parks Bank Accounts	Various	Various	19,497
State Parks Petty Cash	N/A	Petty Cash Accounts	16,900
Motor Boat Fuel Tax Fund	309-521	State Treasury Account	168,687
Emergency Fire Disaster Fund	213-521	State Treasury Account	12,137,983
Oil Reclamation Fund	311-521	State Treasury Account	4,080,502
Conservation Planting Revolving Fund	321-521	State Treasury Account	66,980
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	11,934
Surface Mining Permit Fees	319-521	State Treasury Account	77,707
Surface Mining Penalty Fund	320-521	State Treasury Account	4,985
Abandoned Mine Reclamation Fund	656-521	State Treasury Account	4,690,543
NM Mining Act Fund	566-521	State Treasury Account	381,492
NM Youth Conservation Corps	014-522	State Treasury Account	3,234,196
NM Mining Act Penalty Fund	731-521	State Treasury Account	15,816
Energy Efficiency Assessment Fund	2015-521	State Treasury Account	274,461
Inmate Workcamp Fund	956-521	State Treasury Account	286,227
ARRA Fund	890-521	State Treasury Account	-
Capital Projects Funds:			
Capital Projects GGRT	646-521	State Treasury Account	3,431,653
GF/STB	509-521	State Treasury Account	-
Capital Projects STB	892-521	State Treasury Account	-

**STATE OF NEW MEXICO ENERGY, MINERALS,
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NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 4 - CASH DEPOSIT ACCOUNTS AND INVESTMENTS (CONTINUED)

Account Name	Account Number	Type	Balances June 30, 2011
Debt Service Funds:			
Debt Service	300-521	State Treasury Account	10,377
NM Finance Authority	N/A	Bank Accounts - Reserve	186,891
Bonds 1995 & 1995A	N/A	Bank Accounts - Reserve	525,992
Bonds 1995B issuance	N/A	Bank Accounts - Reserve	25,946
Bonds 1996B issuance	N/A	Bank Accounts - Reserve	29,615
Bonds 1997A & 1997B issuance	N/A	Bank Accounts - Reserve	352,938
Bonds 1998A & 1998B issuance	N/A	Bank Accounts - Reserve	364,330
Bonds 2000A & 2000B issuance	N/A	Bank Accounts - Reserve	369,556
Bonds 2003	N/A	Bank Accounts - Reserve	498,373
Bonds 2010	N/A	Bank Accounts - Reserve	<u>84,263</u>
Governmental funds cash and cash equivalents			33,796,927
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	21,263
Renewable Energy Transmission Fund	1029-521	State Treasury Account	<u>-</u>
Agency Funds cash			<u>21,263</u>
Total cash and cash equivalents			<u>\$33,818,190</u>

The Bank of New York Mellon (previously Bank of Albuquerque) funds are held in reserve bank accounts for the 1995, 1996, 1997, 1998, 2001 and 2003 Series bonds received from the New Mexico Finance Authority.

Cash balances at June 30, 2011 consisted of cash invested with and confirmed by 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 \$17,586,229.

**STATE OF NEW MEXICO ENERGY, MINERALS,
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June 30, 2011**

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets follows:

Governmental-type Activities	Balance, June 30, 2010	Additions	Adjustments/ Deletions	Balance, June 30, 2011
Buildings and improvements	\$ 70,190,459	\$ 3,991,752	\$ (488,742)	\$ 73,693,469
Data processing equipment	3,349,745	112,710	(2,806,253)	656,202
Equipment and machinery	13,391,368	961,328	(583,353)	13,769,343
Furniture and fixtures	507,205	6,942	(4,000)	510,147
Land improvements	24,997,966	2,537,030	-	27,534,996
Vehicles and automotive	<u>8,539,208</u>	<u>391,108</u>	<u>(895,350)</u>	<u>8,034,966</u>
Total	120,975,951	8,000,870	(4,777,698)	124,199,123
Accumulated depreciation:				
Buildings and improvements	(30,428,029)	(3,027,257)	475,667	(32,979,619)
Data processing equipment	(2,979,892)	(137,289)	2,758,775	(358,406)
Equipment and machinery	(9,208,475)	(932,966)	576,454	(9,564,987)
Furniture and fixtures	(424,883)	(16,202)	4,000	(437,085)
Land improvements	(15,207,149)	(960,414)	-	(16,167,563)
Library and museum acquisitions	-	-	-	-
Vehicles and automotive	<u>(6,384,289)</u>	<u>(829,996)</u>	<u>895,350</u>	<u>(6,318,935)</u>
Total accumulated depreciation	(64,632,717)	(5,904,124)	4,710,246	(65,826,595)
Assets not being depreciated:				
Projects in Progress	3,588,972	1,939,298	(2,586,099)	2,942,171
Library and museum acquisitions	556,231	-	-	556,231
Land	<u>11,914,170</u>	<u>650,000</u>	<u>-</u>	<u>12,564,170</u>
Total	<u>16,059,373</u>	<u>2,589,298</u>	<u>(2,586,099)</u>	<u>16,062,572</u>
Net total	<u>\$ 72,402,607</u>	<u>\$ 4,686,044</u>	<u>\$ (2,653,551)</u>	<u>\$ 74,435,100</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
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NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental function as follows:

Renewable Energy Program	\$ 1,083,192
Healthy Forests Program	1,292,534
State Parks Program	1,516,826
Mine Reclamation Program	416,778
Oil & Gas Conservation Program	391,136
Program Support	275,619
Conservation	228,304
Fire Disasters	<u>699,735</u>
Total	<u>\$ 5,904,124</u>

NOTE 6 – 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 \$1,702,378 was paid to the State General Fund during the year. Of the total reversion expense, \$1,434,536 is payable at June 30, 2011 and due by September 30, 211. This payable may be adjusted within 45 days of the release of this audit by the New Mexico Office of the State Auditor.

	Reversion Amount	Fiscal Year of Appropriation or Collection
Energy Efficiency Assessment	\$ 150,000	2004
Energy Efficiency Assessment	52,654	2007
Capital Projects Appropriations GF/STB	25,241	2007
General Fund Appropriation	81,616	2011
Special Revenue Fund – Emergency Fire Disaster	90	2009
Special Revenue Fund – Emergency Fire Disaster	500,125	2010
Special Revenue Fund – Emergency Fire Disaster	2,315,234	2011
Natural Lands Protection Fund	<u>11,954</u>	2001
Total	<u>\$ 3,136,914</u>	

Of these reversion amounts due to the State General Fund for the year ended June 30, 2011, \$1,272,582 was paid in September 2011. The current year reversions due to the State General Fund as of June 30, 2011 were as follows:

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June 30, 2011**

NOTE 6 – REVERSION OF FUNDS (CONTINUED)

General Fund	\$ 81,616
Natural Lands Protection Fund	11,954
Emergency Fire/Insect & Disaster Fund	1,190,966
Energy Efficiency Assessment	<u>150,000</u>
Total Governmental Funds	<u>\$ 1,434,536</u>

NOTE 7 - LONG-TERM DEBT

The changes to long-term debt are as follows:

	Balance, June 30, 2010	Increase	(Decrease)	Balance, June 30, 2011	Amounts Due Within One Year
Compensated absences	\$ 1,796,786	\$ 1,391,788	\$ (1,270,170)	\$ 1,918,404	\$ 1,475,842
Federal loan proceeds	1,041,466	-	(10,093)	1,031,373	11,093
Bonds issued, 1995A & 1995B	102,240	-	(19,258)	82,982	19,835
Bonds issued, 1996A & 1996B	142,007	-	(21,954)	120,053	22,612
Bonds issued, 1997A & 1997B	2,187,522	-	(265,778)	1,921,744	281,551
Bonds issued, 1998A & 1998B	2,562,490	-	(271,707)	2,290,783	282,508
Bonds issued, 2001	2,901,970	-	(236,709)	2,665,261	246,721
Bonds issued, 1995A & 1996A	2,602,000	-	(422,000)	2,180,000	443,000
Bonds issued, 2003	5,369,627	-	(330,893)	5,038,734	341,143
Bonds issued, 2010 equipment	<u>842,647</u>	<u>-</u>	<u>(100,500)</u>	<u>742,147</u>	<u>100,500</u>
Net total	<u>\$ 19,548,755</u>	<u>\$ 1,391,788</u>	<u>\$ (2,949,062)</u>	<u>\$ 17,991,481</u>	<u>\$ 3,224,805</u>

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

There is a long-term obligation of \$1,031,373 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 current portion of long term debt is \$11,093.

**STATE OF NEW MEXICO ENERGY, MINERALS,
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June 30, 2011**

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The terms of repayment as of June 30, 2011, are as follows:

<u>Principal Balance</u>	<u>Interest Rate</u>
\$ 914,500	5.116%
<u>116,873</u>	9.92%
<u>\$ 1,031,373</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 \$59,381.

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>
2012	\$ 11,093	\$ 58,380	\$ 69,473
2013	12,194	57,279	69,473
2014	13,403	56,070	69,473
2015	14,733	54,740	69,473
2016	16,195	53,278	69,473
2017 – 2021	106,420	240,945	347,365
2022 – 2026	141,849	205,516	347,365
2027 – 2031	182,042	165,323	347,365
2032 – 2036	233,624	113,741	347,365
2037 – 2041	<u>299,820</u>	<u>47,545</u>	<u>347,365</u>
Total	<u>\$ 1,031,373</u>	<u>\$ 1,052,817</u>	<u>\$ 2,084,190</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 a 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 \$2,812. The current portion of long-term debt is \$19,835.

**STATE OF NEW MEXICO ENERGY, MINERALS,
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June 30, 2011**

NOTE 7 - LONG-TERM DEBT (CONTINUED)

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:			
2012	\$ 19,835	\$ 2,282	\$ 22,117
2013	20,430	1,737	22,167
2014	21,043	1,175	22,218
2015	<u>21,674</u>	<u>596</u>	<u>22,270</u>
Total	<u>\$ 82,982</u>	<u>\$ 5,790</u>	<u>\$ 88,772</u>

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 \$3,905. The current portion of long-term debt is \$22,612.

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:			
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>\$ 120,053</u>	<u>\$ 10,100</u>	<u>\$ 130,153</u>

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 \$114,927. The current portion of long-term debt is \$281,551.

**STATE OF NEW MEXICO ENERGY, MINERALS,
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June 30, 2011**

NOTE 7 - LONG-TERM DEBT (CONTINUED)

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:			
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	315,000	36,120	351,120
2017	<u>330,000</u>	<u>18,480</u>	<u>348,480</u>
Total A Series	1,750,000	355,080	2,105,080
<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series B:			
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	29,884	1,668	31,552
2017	<u>30,780</u>	<u>846</u>	<u>31,626</u>
Total B Series	<u>171,744</u>	<u>16,937</u>	<u>188,681</u>
Grand Total	<u>\$ 1,921,744</u>	<u>\$ 372,017</u>	<u>\$ 2,293,761</u>

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 \$125,526. The current portion of long-term debt is \$282,508.

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NOTE 7 - LONG-TERM DEBT (CONTINUED)

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:			
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	310,000	51,133	361,133
2017 - 2018	<u>670,000</u>	<u>53,125</u>	<u>723,125</u>
Total A Series	2,080,000	452,418	2,532,418
<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series B:			
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	30,961	2,632	33,593
2017 - 2018	<u>64,737</u>	<u>2,684</u>	<u>67,421</u>
Total B Series	<u>210,783</u>	<u>23,871</u>	<u>234,654</u>
Grand Total	<u><u>\$ 2,290,783</u></u>	<u><u>\$ 476,289</u></u>	<u><u>\$ 2,767,072</u></u>

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 \$132,791. The current portion of long-term debt is \$246,721.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 7 - LONG-TERM DEBT (CONTINUED)

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:			
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	293,629	75,871	369,500
2017 - 2020	<u>1,317,875</u>	<u>160,126</u>	<u>1,478,001</u>
Total	<u>\$ 2,665,261</u>	<u>\$ 660,240</u>	<u>\$ 3,325,501</u>

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 \$121,959. The current portion of long-term debt is \$443,000.

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:			
2012	\$ 443,000	\$ 101,852	\$ 544,852
2013	469,000	80,948	549,948
2014	488,000	59,110	547,110
2015	508,000	34,969	542,969
2016	<u>272,000</u>	<u>10,149</u>	<u>282,149</u>
Total	<u>\$ 2,180,000</u>	<u>\$ 287,028</u>	<u>\$ 2,467,028</u>

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 \$196,728. The current portion of long-term debt is \$341,143.

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NOTE 7 - LONG-TERM DEBT (CONTINUED)

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:			
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	390,578	141,606	532,184
2017 – 2021	2,198,705	478,262	2,676,967
2022 - 2023	<u>1,015,275</u>	<u>63,865</u>	<u>1,079,140</u>
Total	<u>\$ 5,038,734</u>	<u>\$ 1,368,858</u>	<u>\$ 6,407,592</u>

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>
1995/1996 Series A:			
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>\$ 742,147</u>	<u>\$ 60,816</u>	<u>\$ 802,963</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 8 - DUE FROM AND DUE TO OTHER FUNDS

Due from and to other funds as of June 30, 2011, are as follows:

Amount Due From Other Funds			Amount Due To Other Funds		
Fund Name	Fund No.	Amount	Fund Name	Fund No.	Amount
Governmental funds:					
General Fund	19900	\$ 432,358	General Fund	19900	\$3,218,905
State Parks	20010	85,904	State Parks	20010	202,228
Emergency Fire/ Insect & Disaster	21300	4,583,924	Emergency Fire/ Insect & Disaster	21300	277,317
Capital Projects – GGRT	64600	103,680	Oil Reclamation Fund	31100	14,248
Inmate Work Camp	95600	<u>64,750</u>	Surface Mining Permit Fees	31900	5,206
			Conservation Planting Revolv.	32100	877
			Capital Proj.-STB	50900	104,631
			Capital Projects	64600	11,874
			Mining Act Fund	56600	16,117
			ARRA	89000	1,169,866
			STB Capital Outlay	89200	200,000
			Inmate Work Camp	95600	<u>4,737</u>
Total governmental funds		5,270,616			5,226,006
Fiduciary funds:					
GGRT Suspense Fund	77400	<u>36,815</u>	Boat Suspense Fund	77300	<u>81,425</u>
Total Due From		<u>\$ 5,307,431</u>			<u>\$ 5,307,431</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,
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June 30, 2011**

NOTE 9 - 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.

Due From Other State Agencies	Fund No.	Amount	Due From Agency/Fund	Fund No.	Amount
Governmental Funds:					
General Fund	19900	\$ 244,365	Environment Dept. Dept. of Finance & Admin	34100 01000	\$ 244,124 241
Abandoned Mine Reclamation Fund	65600	417	State Treasurer's Office	80100	417
State Parks	20010	331,919	Taxation & Revenue Dept. Game & Fish Game & Fish Taxation & Revenue Dept. Taxation & Revenue Dept.	82500 19800 19800 82800 81900	58,599 35,202 230,510 7,151 457
Emergency Fire/Insect & Disaster	21300	3,750,000	Dept. of Finance & Admin.	85400	3,750,000
Motor Board Fuel Tax Fund	30900	15,842	Taxation & Revenue Dept.	82800	15,842
Oil Reclamation Fund	31100	462,931	Taxation & Revenue Dept.	83300	462,931
Conservation Planting	32100	1,000	Taxation & Revenue Dept.	81900	1,000
Capital Projects–GF/STB	50900	1,235,805	Dept. of Finance & Admin. Dept. of Finance & Admin. Dept. of Finance & Admin. Dept. of Finance & Admin.	10740 60910 60900 96850	681,633 82,000 392,123 80,049
Capital Projects – GGRT	64600	393,901	Taxation & Revenue Dept. Game & Fish	83200 19800	365,667 28,234
ARRA Fund	89000	500	Dept. of Finance & Admin.	89000	500
STB Capital Projects	89200	<u>313,333</u>	Dept. of Finance & Admin.	82100	<u>313,333</u>
Total Governmental Funds		6,750,013			6,750,013

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NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 9 - DUE FROM AND DUE TO OTHER STATE AGENCIES (CONTINUED)

Due From Other State Agencies	Fund No.	Amount	Due From Agency/Fund	Fund No.	Amount
Agency Funds:					
Boat Suspense Fund	77300	162,850	Taxation & Revenue Dept.	82500	162,850
Oil Disposition Holding Fund	89100	<u>2</u>	State Treasurer's Office	80100	<u>2</u>
Total Agency Funds		<u>162,852</u>			<u>162,852</u>
Total All Funds		<u>\$6,912,865</u>			<u>\$6,912,865</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
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NOTE 9 - DUE FROM AND DUE TO OTHER STATE AGENCIES (CONTINUED)

Due To Other State Agencies	Fund No.	Amount	Due To Agency/Fund	Fund No.	Amount
Governmental Funds:					
Youth Conservation Corp	01400	\$ 17,690	Office of Cultural Affairs	19300	\$ 17,690
General Fund	19900	626,052	Dept. of Finance & Admin.	85300	81,616
			Dept. of Health (WIPP)	06104	32,440
			Dept. of Pub. Sfty. (WIPP)	12804	184,318
			Public Regulation Commission (WIPP)	55000	176,483
			Dept. of Homeland Sec. & Emerg. Mgt. (WIPP)	20054	57,032
			Environment Dept. (WIPP)	06400	42,192
			Environment Dept. (UIC)	06400	51,971
Nat. Lands Prot. Fund	20000	11,954	Dept. of Finance & Admin.	85300	11,954
Energy Efficiency Assessment	20150	150,000	Dept. of Finance & Admin.	85300	150,000
State Parks	20010	196	Game & Fish	19800	126
			Workers' Compensation	98200	70
Emergency Fire/Insect & Disaster	21300	1,248,349	Dept. of Finance & Admin.	85400	1,190,966
			Corrections Department	90700	57,383
ARRA Fund	89000	1,237,621	Public Education Dept.	89000	15,747
			Environment Dept.	89000	3,140
			Office of Cultural Affairs	89000	64,288
			Dept. of Info. Technology	89000	10,500
			Reg. & Licensing Dept.	89000	46,188
			General Services Dept.	89000	1,097,758
STB Capital Projects	89200	<u>113,333</u>	Environment Dept.	89200	<u>113,333</u>
Total Governmental Funds		3,405,195			3,405,195
Agency Funds:					
Boat Suspense Fund	77300	81,425	Dept. of Finance & Admin.	85300	81,425
GGRT Suspense	77400	<u>36,815</u>	Taxation & Revenue Dept.	70700	<u>36,815</u>
Total Agency Funds		<u>118,240</u>			<u>118,240</u>
Total All Funds		<u>\$3,523,435</u>			<u>\$3,523,435</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
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June 30, 2011**

NOTE 10 - TRANSFERS (CONTINUED)

B - Inter-agency Transfers

Agency/Fund		Transfers In	Transfers Out
19900	General Fund - Reg Appropriation	\$ 11,580,600	
85300	Dept. of Finance & Admin		\$ (11,580,600)
19900	General Fund - Reversion		(81,616)
85300	Dept. of Finance & Admin	81,616	
19900	General Fund	24,800	(1,082,616)
06104	Dept. of Health	106,144	
06400	Environment Dept	236,535	
12804	Dept. of Public Safety	422,958	
20054	Dept. of Homeland Sec	106,865	
55000	Public Reg Commission	210,114	
34100	Environment Dept		(24,800)
21300	Emergency Fire Disaster	21,750,000	
85400	Dept. of Finance & Admin		(21,750,000)
21300	Emergency Fire Disaster - Reversion		(2,815,449)
85400	Dept. of Finance & Admin	2,815,449	
20010	State Parks	10,109,500	
85300	Dept. of Finance & Admin		(10,109,500)
06400	Environment Dept		(49,159)
19800	Game & Fish		(35,202)
20010	State Parks	84,361	
01400	Youth Conservation Corps		(17,690)
19300	Office of Cultural Affairs	17,690	

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NOTE 10 - TRANSFERS (CONTINUED)

B - Inter-agency Transfers

<u>Agency/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
89000 ARRA		(11,867,888)
89000 Dept. of Info Technology	176,366	
89000 Dept. of Transportation	19,332	
89000 Environment Dept	11,698	
89000 General Services Dept	6,746,312	
89000 Office of Cultural Affairs	266,545	
89000 Public Education Dept	4,499,998	
89000 Reg. & Licensing Dept	147,637	
50900 Cap Projects - GGRT/STB - Reversions		(25,241)
50900 Cap Projects - GGRT/STB	4,328,555	
01900 Dept. of Finance & Admin		(240,043)
10740 Dept. of Finance & Admin		(1,286,084)
10920 Dept. of Finance & Admin		(381,150)
60900 Dept. of Finance & Admin		(1,947,298)
60910 Dept. of Finance & Admin		(259,607)
96850 Dept. of Finance & Admin		(214,373)
85300 Dept. of Finance & Admin	25,241	
89200 Cap Projects - STB	801,527	(113,333)
60900 Dept. of Finance & Admin		(59,925)
80300 Dept. of Finance & Admin		(247,796)
82100 Dept. of Finance & Admin		(493,806)
89200 Environment Dept	113,333	
20000 Natural Land Protection - Reversions		(11,954)
85300 Dept. of Finance & Admin	11,954	
20150 Energy Eff. Assessment - Reversions		(202,654)
85300 Dept. of Finance & Admin	202,654	
Total	<u>\$ 64,897,784</u>	<u>\$ (64,897,784)</u>

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June 30, 2011**

NOTE 11 - SPECIAL APPROPRIATIONS AND GOVERNOR'S EXECUTIVE ORDERS

The Governor issued executive orders during the 2011 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 \$21,950,000 during the 2011 fiscal year. \$200,000 of this was transferred to the general fund for administrative costs, leaving \$21,750,000 in the emergency fire fund.

NOTE 12 - PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description

Substantially all of the Department's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, 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, 2011, 2010 and 2009 were \$2,915,451, \$2,934,685 and \$3,481,618, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 13 - POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description

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

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**NOTE 13 - POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

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

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

Funding Policy

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee’s annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013, the contribution rates for employees and employers will rise as follows:

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

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

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]), during the fiscal year ended June 30, 2011, the statute required each participating employer to

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**NOTE 13 - POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

contribute 2.084% of each participating employee’s annual salary, and each participating employee was required to contribute 1.042% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013, the contribution rates for both employers and employees will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
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, 2011, 2010 and 2009 were \$319,803, \$259,715 and \$262,715, respectively, which equal the required contributions for each year.

NOTE 14 - 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, 2011 was \$350,839.

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, 2011.

Years ending June 30:

2012	\$ 126,276
2013	52,948
2014	16,151
2015	6,910
2016	4,415
2017 and thereafter	<u>420</u>
Total	<u>\$ 207,120</u>

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NOTE 15 – LEASING ACTIVITIES

The Department has and maintains operating leases consisting primarily of Department-owned communication towers leased to non-state entities. The following schedule presents minimum future rentals receivable from these operating leases:

Years ending June 30:

2012	\$	47,414
2013		46,710
2014		21,261
2015		7,623
2016		<u>-</u>
Total	\$	<u>123,008</u>

NOTE 16 - 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.

NOTE 17 - RISK MANAGEMENT

The Department obtains coverage through the Risk Management Division of the State of New Mexico General Services Department. This coverage includes public liability, property, workers compensation, surety bond unemployment compensation and group health insurance. These coverages are designed to satisfy the requirements of the State Tort Claims Act. The maximum limits provided by the Tort Claims Act are \$1,050,000 per occurrence.

The Department had no significant reductions in insurance coverage from coverage in the prior year. In the fiscal years ended June 30, 2011, 2010 and 2009, there were no settlements that exceeded insurance coverage.

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NOTE 18 - FUND BALANCE RESTRICTIONS

Effective for this fiscal year, GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented. The following are the new fund balance classifications. The Department's fund balances represent: 1) Restricted purposes, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, 2) Committed purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches; 3) Assigned purposes, which includes balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. A summary of the nature and purpose of these reserves by fund type at June 30, 2011 follows:

<u>Fund Name</u>	<u>Restricted</u>	<u>Committed</u>
General Fund		
Oil and Gas Conservation Program	\$ -	\$ 352,832
Emergency Fire Disaster		
Fire Disaster	17,316,034	-
Abandoned Mine Reclamation		
Mine Reclamation Program	4,690,960	-
State Parks		
State Parks Program	-	3,198,887
Debt Service		
Debt Service Activity	2,448,281	
Capital Projects - GGRT		
Capital Projects Activity	3,701,989	-
Motor Boat Fuel Tax		
State Parks Program	103,543	34,515
Oil Reclamation Fund		
Oil & Gas Conservation Program	4,421,118	-
Forest Land Protection		
Health Forests Program	1,321	-
Petroleum Violation Escrow-Stripper Well		
Renewable Energy Program	11,934	-
Conservation Planting Revolving Fund		
Healthy Forests Program	53,201	-
Surface Mining Permit Fees		
Mine Reclamation Program	-	52,982
New Mexico Mining Act Penalty		
Mine Reclamation Program	15,816	-
Surface Mining Penalty Fund		
Mine Reclamation Program	4,985	-
New Mexico Mining Act		
Mine Reclamation Program	348,097	-

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 18 - FUND BALANCE RESTRICTIONS (CONTINUED)

<u>Fund Name</u>	<u>Restricted</u>	<u>Committed</u>
Inmate Work Camp		
Healthy Forests Program	344,405	-
Energy Efficiency Assessment		
Renewable Energy Program	124,461	-
Youth Conservation Corps		
Conservation	1,893,694	-
Capital Projects Fund - GF/STB		
Capital Projects Activity	<u>179,338</u>	<u>-</u>
Total	<u>\$ 35,659,177</u>	<u>\$ 3,639,216</u>

NOTE 19 – SPECIAL APPROPRIATIONS

The following is a summary of special appropriations received by the Department as of June 30, 2011:

	<u>Prior Years Appropriation</u>	<u>Expenditures Inception to June 30, 2011</u>	<u>Encumbrance Balance as of June 30, 2011</u>	<u>Reversion Amount</u>	<u>Balance as of June 30, 2011</u>
Special Revenue Funds:					
Laws 2009, Ch. 124, Sec. 5 (35)	\$ 250,000	\$ -	\$ -	\$ 250,000 *	\$ -
Laws 2009, Ch. 124, Sec. 5 (37)	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000 *</u>	<u>-</u>
Total	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ -</u>

* These amounts were not used during the budgeted period and were reappropriated for other uses.

NOTE 20 – SUBSEQUENT EVENTS

Management evaluated subsequent events through December 13, 2011, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2011, but prior to December 13, 2011, that provided additional evidence about conditions that existed at June 30, 2011 have been recognized in the financial statements for the year ended June 30, 2011. Events or transactions that provided evidence about conditions that did not exist at June 30, 2011, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended June 30, 2011.

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

SUPPLEMENTAL INFORMATION

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

GENERAL FUND - ENERGY EFFICIENCY (RENEWABLE ENERGY)				
	<u>Budgeted Amounts</u>		Actual	Variance From
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
State General Fund appropriation:				
Regular	\$ 1,040,100	\$ 1,006,400	\$ 1,006,400	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	221,500	454,700	437,965	(16,735)
Other financing sources	194,400	-	-	-
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ 1,456,000</u>	<u>\$ 1,461,100</u>	1,444,365	<u>\$ (16,735)</u>
EXPENDITURES				
Personal services and benefits	\$ 1,363,400	\$ 1,373,200	1,360,052	\$ 13,148
Contractual services	11,800	6,600	6,600	-
Other costs	80,800	81,300	76,779	4,521
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,456,000</u>	<u>\$ 1,461,100</u>	<u>1,443,431</u>	<u>\$ 17,669</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			934	
GAAP BASIS RECONCILIATION				
Reversions			(934)	
Timing difference related to accounts payable			-	
GAAP BASIS 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 (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2011**

GENERAL FUND - FORESTRY				
	<u>Budgeted Amounts</u>		Actual	Variance From
	<u>Original</u>	<u>Final</u>	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
REVENUES				
State General Fund appropriation:				
Regular	\$ 3,369,400	\$ 3,369,400	\$ 3,369,400	\$ -
Special	-	-	-	-
Other state funds	29,100	29,100	38,875	9,775
Federal funds	11,351,700	11,351,700	6,699,620	(4,652,080)
Other financing sources	200,000	200,000	214,817	14,817
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$14,950,200</u>	<u>\$14,950,200</u>	10,322,712	<u>\$ (4,627,488)</u>
EXPENDITURES				
Personal services and benefits	\$ 4,321,800	\$ 4,321,800	4,069,169	\$ 252,631
Contractual services	2,121,500	1,221,500	878,845	342,655
Other costs	8,506,900	9,406,900	5,294,531	4,112,369
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$14,950,200</u>	<u>\$14,950,200</u>	<u>10,242,545</u>	<u>\$ 4,707,655</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			80,167	
GAAP BASIS RECONCILIATION				
Reversions			(80,167)	
Timing difference related to accounts payable			-	
GAAP BASIS 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 (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2011**

GENERAL FUND - MINE RECLAMATION PROGRAM				
	<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	\$ 494,900	\$ 494,900	\$ 494,900	\$ -
Special	-	-	-	-
Other state funds	-	-	5	5
Federal funds	5,801,600	7,348,315	4,487,792	(2,860,523)
Other financing sources	-	-	-	-
Cash balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ 6,296,500</u>	<u>\$ 7,843,215</u>	4,982,697	<u>\$ (2,860,518)</u>
EXPENDITURES				
Personal services and benefits	\$ 2,150,600	\$ 2,150,600	1,931,378	\$ 219,222
Contractual services	3,772,100	5,318,815	2,782,329	2,536,486
Other costs	373,800	373,800	268,983	104,817
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 6,296,500</u>	<u>\$ 7,843,215</u>	<u>4,982,690</u>	<u>\$ 2,860,525</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			7	
GAAP BASIS RECONCILIATION				
Reversions			(7)	
Timing difference related to accounts payable			-	
GAAP BASIS 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 (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2011**

**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	\$ 3,809,200	\$ 3,809,200	\$ 3,809,200	\$ -
Special	-	-	-	-
Other state funds	-	81,800	81,941	141
Federal funds	350,200	350,200	301,430	(48,770)
Other financing sources	441,400	441,400	24,799	(416,601)
Cash balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ 4,600,800</u>	<u>\$ 4,682,600</u>	4,217,370	<u>\$ (465,230)</u>
EXPENDITURES				
Personal services and benefits	\$ 3,644,500	\$ 3,704,500	3,495,529	\$ 208,971
Contractual services	150,300	136,800	111,872	24,928
Other costs	691,000	726,300	660,140	66,160
Other financing uses	115,000	115,000	95,813	19,187
TOTAL EXPENDITURES	<u>\$ 4,600,800</u>	<u>\$ 4,682,600</u>	<u>4,363,354</u>	<u>\$ 319,246</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			(145,984)	
GAAP BASIS RECONCILIATION				
Reversions			(508)	
Timing difference related to accounts payable			-	
GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ (146,492)</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2011**

GENERAL FUND - PROGRAM SUPPORT				
	<u>Budgeted Amounts</u>		Actual	Variance From
	<u>Original</u>	<u>Final</u>	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
REVENUES				
State General Fund appropriation:				
Regular	\$ 2,900,700	\$ 2,900,700	\$ 2,900,700	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	2,210,500	2,210,500	1,546,407	(664,093)
Other financing sources	213,800	333,800	264,363	(69,437)
Cash balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ 5,325,000</u>	<u>\$ 5,445,000</u>	4,711,470	<u>\$ (733,530)</u>
EXPENDITURES				
Personal services and benefits	\$ 3,546,400	\$ 3,646,400	3,458,834	\$ 187,566
Contractual services	19,800	19,800	19,539	261
Other costs	271,400	291,400	295,644	(4,244)
Other financing uses	<u>1,487,400</u>	<u>1,487,400</u>	<u>986,803</u>	<u>500,597</u>
TOTAL EXPENDITURES	<u>\$ 5,325,000</u>	<u>\$ 5,445,000</u>	<u>4,760,820</u>	<u>\$ 684,180</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			(49,350)	
GAAP BASIS RECONCILIATION				
Reversions			-	
Timing difference related to accounts payable			<u>49,350</u>	
GAAP BASIS 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 (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2011**

	DEBT SERVICE FUND			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
REVENUES				
Bond Proceeds	\$ -	\$ -	\$ -	\$ -
Interest on investments	-	-	2,823	2,823
Other financing sources	2,302,000	2,432,000	1,187,911	(1,244,089)
Cash balance rebudgeted	-	746,000	-	(746,000)
TOTAL REVENUES	<u>\$ 2,302,000</u>	<u>\$ 3,178,000</u>	1,190,734	<u>\$ (1,987,266)</u>
EXPENDITURES				
Other costs	\$ 2,302,000	2,432,000	2,454,924	(22,924)
Other financing uses	-	746,000	745,943	57
TOTAL EXPENDITURES	<u>\$ 2,302,000</u>	<u>\$ 3,178,000</u>	3,200,867	<u>\$ (22,867)</u>
NON-BUDGETED ITEMS				
Reversions			-	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ (2,010,133)</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2011**

	EMNRD CAPITAL PROJECTS GGRT			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
REVENUES				
Gross receipts tax	\$ 3,600,000	\$ 3,600,000	\$ 4,590,151	\$ 990,151
Other state funds	-	-	6,564	6,564
Other financing sources	-	-	745,943	745,943
Fund balance rebudgeted	<u>1,750,000</u>	<u>1,767,500</u>	<u>-</u>	<u>(1,767,500)</u>
TOTAL REVENUES	<u>\$ 5,350,000</u>	<u>\$ 5,367,500</u>	5,342,658	<u>\$ (24,842)</u>
EXPENDITURES				
Personal services and benefits	\$ 250,000	\$ 250,000	249,988	\$ 12
Contractual services	50,000	50,000	6,753	43,247
Other costs	2,748,000	3,494,000	2,806,708	687,292
Other financing uses	<u>2,302,000</u>	<u>1,573,500</u>	<u>1,199,785</u>	<u>373,715</u>
TOTAL EXPENDITURES	<u>\$ 5,350,000</u>	<u>\$ 5,367,500</u>	4,263,234	<u>\$ 1,104,266</u>
NON-BUDGETED ITEMS				
Reversions			<u>-</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)				
EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 1,079,424</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
COMBINING BALANCE SHEET - BY FUND TYPE -
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2011**

	Special Revenue Funds	Capital Projects Funds	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investment in State Treasurer General Fund Investment Pool	8,616,262	-	8,616,262
Receivables:		-	
Due from other funds	64,750	-	64,750
Due from other state agencies	479,773	1,549,138	2,028,911
Other receivables	18,732	-	18,732
TOTAL ASSETS	<u>\$ 9,179,517</u>	<u>\$ 1,549,138</u>	<u>\$ 10,728,655</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 1,490,208	\$ 951,836	\$ 2,442,044
Accrued payroll	58,408	-	58,408
Due to other state agencies	179,644	113,333	292,977
Due to Fiduciary funds	877	-	877
Due to other funds	40,308	304,631	344,939
Total liabilities	1,769,445	1,369,800	3,139,245
FUND BALANCE (DEFICIT)			
Restricted	7,322,575	179,338	7,501,913
Committed	87,497	-	87,497
Total fund balances	<u>7,410,072</u>	<u>179,338</u>	<u>7,589,410</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,179,517</u>	<u>\$ 1,549,138</u>	<u>\$ 10,728,655</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
Year Ended June 30, 2011**

	Special Revenue Funds	Capital Projects Funds	Total
REVENUES			
Interest	\$ 20	\$ -	\$ 20
Federal funds	-	-	-
Gross receipts tax	3,269,359	-	3,269,359
Conservation taxes	4,200,459	-	4,200,459
Gasoline tax	191,746	-	191,746
Other	1,409,407	-	1,409,407
	<hr/>	<hr/>	<hr/>
Total revenues	9,070,991	-	9,070,991
EXPENDITURES			
Current			
Renewal Energy Program	297,346	-	297,346
Healthy Forests Program	358,563	-	358,563
State Parks Program	90,000	1,419,027	1,509,027
Mine Reclamation Program	738,109	-	738,109
Oil & Gas Conservation Program	1,071,050	-	1,071,050
Program Support	-	-	-
Conservation	3,085,257	-	3,085,257
Capital outlay	74,451	3,663,294	3,737,745
Debt service-principal	-	-	-
Debt service-interest	-	-	-
Debt service-miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	5,714,776	5,082,321	10,797,097

	Special Revenue Funds	Capital Projects Fund	Total
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,356,215	(5,082,321)	(1,726,106)
OTHER FINANCING SOURCES (USES)			
Intra-agency transfers, net	(90,307)	-	(90,307)
Inter-agency transfers - reversions	(214,608)	(25,241)	(239,849)
Inter-agency transfers - severance tax	-	5,130,082	5,130,082
Inter-agency transfers - other, net	(17,690)	(113,333)	(131,023)
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(322,605)</u>	<u>4,991,508</u>	<u>4,668,903</u>
NET CHANGE IN FUND BALANCES	3,033,610	(90,813)	2,942,797
FUND BALANCES, BEGINNING OF YEAR	<u>4,376,462</u>	<u>270,151</u>	<u>4,646,613</u>
FUND BALANCES, END OF YEAR	<u>\$ 7,410,072</u>	<u>\$ 179,338</u>	<u>\$ 7,589,410</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2011**

	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	\$ 168,687	\$ 4,080,502	\$ 11,954	\$ 66,980
Receivables:				
Due from other funds	-	-	-	-
Due from other state agencies	15,842	462,931	-	1,000
Other	-	-	-	232
Federal government	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 184,529</u>	<u>\$ 4,543,433</u>	<u>\$ 11,954</u>	<u>\$ 68,212</u>
LIABILITIES				
Accounts payable	\$ 46,471	\$ 91,940	\$ -	\$ 14,134
Accrued payroll	-	16,127	-	-
Due to other state agencies	-	-	11,954	-
Due to fiduciary fund	-	-	-	877
Due to other funds	-	14,248	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	46,471	122,315	11,954	15,011
FUND BALANCES				
Restricted	103,543	4,421,118	-	53,201
Committed	34,515	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	138,058	4,421,118	-	53,201
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 184,529</u>	<u>\$ 4,543,433</u>	<u>\$ 11,954</u>	<u>\$ 68,212</u>

Forest Land Protection Fund 32200	Petroleum Violation Escrow Funds - Stripper Well 31600	Surface Mining Permit Fees Fund 31900	New Mexico Mining Act Penalty Fund 73100	Surface Mining Penalty Fund 32000	New Mexico Mining Act Fund 56600
\$ 1,321	\$ 11,934	\$ 77,707	\$ 15,816	\$ 4,985	\$ 381,492
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,321</u>	<u>11,934</u>	<u>77,707</u>	<u>15,816</u>	<u>4,985</u>	<u>381,492</u>
\$ -	\$ -	\$ 210	\$ -	\$ -	\$ 1,863
-	-	19,309	-	-	15,415
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>5,206</u>	<u>-</u>	<u>-</u>	<u>16,117</u>
-	-	24,725	-	-	33,395
1,321	11,934	-	15,816	4,985	348,097
<u>-</u>	<u>-</u>	<u>52,982</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,321</u>	<u>11,934</u>	<u>52,982</u>	<u>15,816</u>	<u>4,985</u>	<u>348,097</u>
<u>\$ 1,321</u>	<u>\$ 11,934</u>	<u>\$ 77,707</u>	<u>\$ 15,816</u>	<u>\$ 4,985</u>	<u>\$ 381,492</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)
June 30, 2011**

	Inmate Work Camp Fund 95600	Energy Efficiency Assessment Fund 20150	Youth Conservation Corps 01400	Total
ASSETS				
Investment in State Treasurer				
General Fund Investment Pool	\$ 286,227	\$ 274,461	\$ 3,234,196	\$ 8,616,262
Receivables:				
Due from other funds	64,750	-	-	64,750
Due from other state agencies	-	-	-	479,773
Other	18,500	-	-	18,732
Federal government	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
				-
TOTAL ASSETS	<u>\$ 369,477</u>	<u>\$ 274,461</u>	<u>\$ 3,234,196</u>	<u>\$ 9,179,517</u>
LIABILITIES				
Accounts payable	\$ 18,196	\$ -	\$ 1,317,394	\$ 1,490,208
Accrued payroll	2,139	-	5,418	58,408
Due to other state agencies	-	150,000	17,690	179,644
Due to fiduciary fund	-	-	-	877
Due to other funds	4,737	-	-	40,308
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	25,072	150,000	1,340,502	1,769,445
FUND BALANCES				
Restricted	344,405	124,461	1,893,694	7,322,575
Committed	-	-	-	87,497
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	344,405	124,461	1,893,694	7,410,072
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 369,477</u>	<u>\$ 274,461</u>	<u>\$ 3,234,196</u>	<u>\$ 9,179,517</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
Year Ended June 30, 2011**

	Motor Boat Fuel Tax Fund 30900	Oil Reclamation Fund 31100	Natural Lands Protection Fund 20000	Conservation Planting Revolving Fund 32100
REVENUES				
Interest	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Federal funds	-	-	-	-
Gross receipt taxes	-	-	-	-
Conservation taxes	-	4,200,459	-	-
Gasoline tax	191,746	-	-	-
Other	-	125,500	-	173,419
	<u>191,746</u>	<u>4,325,959</u>	<u>-</u>	<u>173,419</u>
Total revenues	<u>191,746</u>	<u>4,325,959</u>	<u>-</u>	<u>173,419</u>
EXPENDITURES				
Renewal Energy Program	-	-	-	-
Healthy Forests Program	-	-	-	159,396
State Parks Program	90,000	-	-	-
Mine Reclamation Program	-	-	-	-
Oil & Gas Conservation Program	-	1,071,050	-	-
Program Support	-	-	-	-
Conservation	-	-	-	-
Capital Outlay	74,451	-	-	-
	<u>164,451</u>	<u>1,071,050</u>	<u>-</u>	<u>159,396</u>
Total expenditures	<u>164,451</u>	<u>1,071,050</u>	<u>-</u>	<u>159,396</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	27,295	3,254,909	-	14,023
OTHER FINANCING SOURCES (USES)				
Intra-agency transfers, net	-	(14,248)	-	-
Inter-agency transfers - reversions	-	-	(11,954)	-
Inter-agency transfers - severance tax	-	-	-	-
Inter-agency transfers - other, net	-	-	-	-
	<u>-</u>	<u>(14,248)</u>	<u>(11,954)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(14,248)</u>	<u>(11,954)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	27,295	3,240,661	(11,954)	14,023
FUND BALANCES, BEGINNING OF YEAR	<u>110,763</u>	<u>1,180,457</u>	<u>11,954</u>	<u>39,178</u>
FUND BALANCES, END OF YEAR	<u>\$ 138,058</u>	<u>\$ 4,421,118</u>	<u>\$ -</u>	<u>\$ 53,201</u>

Forest Land Protection Fund 32200	Petroleum Violation Escrow Funds - Stripper Well 31600	Surface Mining Permit Fees Fund 31900	New Mexico Mining Act Penalty Fund 73100	Surface Mining Penalty Fund 32000	New Mexico Mining Act Fund 56600
\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	141,352	11,991	1,900	591,989
-	20	141,352	11,991	1,900	591,989
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	176,584	-	-	561,525
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	176,584	-	-	561,525
-	20	(35,232)	11,991	1,900	30,464
-	-	(5,206)	-	-	(16,115)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(5,206)	-	-	(16,115)
-	20	(40,438)	11,991	1,900	14,349
1,321	11,914	93,420	3,825	3,085	333,748
<u>\$ 1,321</u>	<u>\$ 11,934</u>	<u>\$ 52,982</u>	<u>\$ 15,816</u>	<u>\$ 4,985</u>	<u>\$ 348,097</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 (CONTINUED)
Year Ended June 30, 2011**

	Inmate Work Camp Fund 95600	Energy Efficiency Assessment Fund 20150	Youth Conservation Corps 01400	Total
REVENUES				
Interest	\$ -	\$ -	\$ -	\$ 20
Other state funds	-	-	-	-
Federal funds	-	-	-	-
Gross receipt taxes	-	-	3,269,359	3,269,359
Conservation taxes	-	-	-	4,200,459
Gasoline tax	-	-	-	191,746
Other	238,756	124,461	39	1,409,407
Total revenues	<u>238,756</u>	<u>124,461</u>	<u>3,269,398</u>	<u>9,070,991</u>
EXPENDITURES				
Renewal Energy Program	-	297,346	-	297,346
Healthy Forests Program	199,167	-	-	358,563
State Parks Program	-	-	-	90,000
Mine Reclamation Program	-	-	-	738,109
Oil & Gas Conservation Program	-	-	-	1,071,050
Program Support	-	-	-	-
Conservation	-	-	3,085,257	3,085,257
Capital Outlay	-	-	-	74,451
Total expenditures	<u>199,167</u>	<u>297,346</u>	<u>3,085,257</u>	<u>5,714,776</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	39,589	(172,885)	184,141	3,356,215
OTHER FINANCING SOURCES (USES)				
Intra-agency transfers, net	(4,738)	-	(50,000)	(90,307)
Inter-agency transfers - reversions	-	(202,654)	-	(214,608)
Inter-agency transfers - severance tax	-	-	-	-
Inter-agency transfers - other, net	-	-	(17,690)	(17,690)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,738)</u>	<u>(202,654)</u>	<u>(67,690)</u>	<u>(322,605)</u>
NET CHANGE IN FUND BALANCES	34,851	(375,539)	116,451	3,033,610
FUND BALANCES, BEGINNING OF YEAR	<u>309,554</u>	<u>500,000</u>	<u>1,777,243</u>	<u>4,376,462</u>
FUND BALANCES, END OF YEAR	<u>\$ 344,405</u>	<u>\$ 124,461</u>	<u>\$ 1,893,694</u>	<u>\$ 7,410,072</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
COMBINING BALANCE SHEET -
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2011**

	Capital Projects - STB 89200	Capital Projects GF/STB Fund 50900	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investment in State Treasurer General Fund Investment Pool	-	-	-
Receivables:			
Due from other funds	-	-	-
Due from other state agencies	313,333	1,235,805	1,549,138
Other receivables	-	-	-
TOTAL ASSETS	<u>\$ 313,333</u>	<u>\$ 1,235,805</u>	<u>\$ 1,549,138</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 951,836	\$ 951,836
Accrued payroll	-	-	-
Due to other state agencies	113,333	-	113,333
Due to Fiduciary funds	-	-	-
Due to other funds	<u>200,000</u>	<u>104,631</u>	<u>304,631</u>
Total liabilities	313,333	1,056,467	1,369,800
FUND BALANCE (DEFICIT)			
Restricted	<u>-</u>	<u>179,338</u>	<u>179,338</u>
Total fund balances	<u>-</u>	<u>179,338</u>	<u>179,338</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 313,333</u>	<u>\$ 1,235,805</u>	<u>\$ 1,549,138</u>

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

	Capital Projects - STB 89200	Capital Projects GF/STB Fund 50900	Total
REVENUES			
Interest	\$ -	\$ -	\$ -
Federal funds	-	-	-
Gross receipts tax	-	-	-
Conservation taxes	-	-	-
Gasoline tax	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Renewal Energy Program	-	-	-
Healthy Forests Program	-	-	-
State Parks Program	-	1,419,027	1,419,027
Mine Reclamation Program	-	-	-
Oil & Gas Conservation Program	-	-	-
Program Support	-	-	-
Conservation	-	-	-
Capital outlay	688,194	2,975,100	3,663,294
Debt service-principal	-	-	-
Debt service-interest	-	-	-
Debt service-miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	688,194	4,394,127	5,082,321
	<hr/>	<hr/>	<hr/>

	Capital Projects - STB 89200	Capital Projects GF/STB Fund 50900	Total
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(688,194)	(4,394,127)	(5,082,321)
OTHER FINANCING SOURCES (USES)			
Intra-agency transfers, net	-	-	-
Inter-agency transfers - reversions	-	(25,241)	(25,241)
Inter-agency transfers - severance tax	801,527	4,328,555	5,130,082
Inter-agency transfers - other, net	(113,333)	-	(113,333)
TOTAL OTHER FINANCING SOURCES (USES)	<u>688,194</u>	<u>4,303,314</u>	<u>4,991,508</u>
NET CHANGE IN FUND BALANCES	-	(90,813)	(90,813)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>270,151</u>	<u>270,151</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 179,338</u>	<u>\$ 179,338</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
MOTOR BOAT FUEL TAX FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other state funds	\$ 190,000	\$ 190,000	\$ 191,746	\$ 1,746
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ 190,000</u>	<u>\$ 190,000</u>	191,746	<u>\$ 1,746</u>
EXPENDITURES				
Other costs	\$ 190,000	\$ 190,000	164,451	\$ 25,549
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>164,451</u>	<u>\$ 25,549</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 27,295</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
OIL RECLAMATION FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other state funds	\$ 2,900,000	\$ 2,921,000	\$ 4,200,459	\$ 1,279,459
Other	100,000	100,000	125,500	25,500
Other financing sources	-	-	-	-
Fund balance rebudgeted	<u>1,535,300</u>	<u>1,535,300</u>	<u>-</u>	<u>(1,535,300)</u>
TOTAL REVENUES	<u>\$ 4,535,300</u>	<u>\$ 4,556,300</u>	4,325,959	<u>\$ (230,341)</u>
EXPENDITURES				
Personal services and benefits	\$ 300,000	\$ 300,000	299,952	\$ 48
Contractual services	4,170,000	4,170,000	764,756	3,405,244
Other costs	65,300	65,300	6,342	58,958
Other financing uses	<u>-</u>	<u>21,000</u>	<u>14,248</u>	<u>6,752</u>
TOTAL EXPENDITURES	<u>\$ 4,535,300</u>	<u>\$ 4,556,300</u>	<u>1,085,298</u>	<u>\$ 3,471,002</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 3,240,661</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NATURAL LANDS PROTECTION FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other state funds	\$ -	\$ -	\$ -	\$ -
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
EXPENDITURES				
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
NON-BUDGETED ITEMS				
Reversions			<u>11,954</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ (11,954)</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
CONSERVATION PLANTING REVOLVING FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other state funds	\$ 170,000	\$ 170,000	\$ 155,064	\$ (14,936)
Other	20,000	20,000	18,355	(1,645)
Cash balance rebudgeted	<u>11,200</u>	<u>11,200</u>	<u>-</u>	<u>(11,200)</u>
TOTAL REVENUES	<u>\$ 201,200</u>	<u>\$ 201,200</u>	173,419	<u>\$ (27,781)</u>
EXPENDITURES				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual services	-	-	-	-
Other costs	<u>201,200</u>	<u>201,200</u>	<u>159,396</u>	<u>41,804</u>
TOTAL EXPENDITURES	<u>\$ 201,200</u>	<u>\$ 201,200</u>	<u>159,396</u>	<u>\$ 41,804</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 14,023</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
FOREST LAND PROTECTION FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

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

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
PETROLEUM VIOLATION ESCROW FUND - STRIPPER WELL
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest on investments	\$ -	\$ -	\$ 20	\$ 20
Other state funds	-	-	-	-
Federal funds	-	-	-	-
Otjer	-	-	-	-
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	20	<u>\$ 20</u>
EXPENDITURES				
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 20</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SURFACE MINING PERMIT FEES FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other state funds	\$ 132,000	\$ 132,000	\$ 141,352	\$ 9,352
Fund balance rebudgeted	<u>26,300</u>	<u>52,300</u>	<u>-</u>	<u>(52,300)</u>
TOTAL REVENUES	<u>\$ 158,300</u>	<u>\$ 184,300</u>	141,352	<u>\$ (42,948)</u>
EXPENDITURES				
Personal services and benefits	\$ 109,600	\$ 109,600	109,600	\$ -
Contractual services	32,700	51,000	50,984	16
Other costs	16,000	16,000	16,000	-
Other financing uses	<u>-</u>	<u>7,700</u>	<u>5,206</u>	<u>2,494</u>
TOTAL EXPENDITURES	<u>\$ 158,300</u>	<u>\$ 184,300</u>	<u>181,790</u>	<u>\$ 2,510</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ (40,438)</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NEW MEXICO MINING ACT PENALTY FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other state funds	\$ -	\$ -	\$ 11,991	\$ 11,991
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	11,991	<u>\$ 11,991</u>
EXPENDITURES				
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 11,991</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SURFACE MINING PENALTY FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other state funds	\$ -	\$ -	\$ 1,900	\$ 1,900
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	1,900	<u>\$ 1,900</u>
EXPENDITURES				
Personal services and benefits	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 1,900</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NEW MEXICO MINING ACT FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other state funds	\$ 603,100	\$ 603,100	\$ 591,989	\$ (11,111)
Fund balance rebudgeted	<u>37,800</u>	<u>76,000</u>	<u>-</u>	<u>(76,000)</u>
TOTAL REVENUES	<u>\$ 640,900</u>	<u>\$ 679,100</u>	591,989	<u>\$ (87,111)</u>
EXPENDITURES				
Personal services and benefits	\$ 545,700	\$ 545,700	530,405	\$ 15,295
Contractual services	-	-	-	-
Other costs	95,200	95,200	31,120	64,080
Other financing uses	<u>-</u>	<u>38,200</u>	<u>16,115</u>	<u>22,085</u>
TOTAL EXPENDITURES	<u>\$ 640,900</u>	<u>\$ 679,100</u>	<u>577,640</u>	<u>\$ 101,460</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 14,349</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
INMATE WORK CAMP FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other state funds	\$ 230,000	\$ 230,000	\$ 238,495	\$ 8,495
Other	-	-	261	\$ 261
Fund balance rebudgeted	<u>82,900</u>	<u>94,700</u>	<u>-</u>	<u>(94,700)</u>
TOTAL REVENUES	<u>\$ 312,900</u>	<u>\$ 324,700</u>	238,756	<u>\$ (85,944)</u>
EXPENDITURES				
Personal services and benefits	\$ 168,100	\$ 168,100	98,289	\$ 69,811
Contractual services	2,000	2,000	-	2,000
Other costs	142,800	142,800	100,878	41,922
Other financing uses	<u>-</u>	<u>11,800</u>	<u>4,738</u>	<u>7,062</u>
TOTAL EXPENDITURES	<u>\$ 312,900</u>	<u>\$ 324,700</u>	<u>203,905</u>	<u>\$ 120,795</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 34,851</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
ENERGY EFFICIENCY ASSESSMENT REVOLVING FUND -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State General Fund appropriation	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	124,461	124,461
Other financing sources	-	-	-	-
Cash balance rebudgeted	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>(350,000)</u>
TOTAL REVENUES	<u>\$ 350,000</u>	<u>\$ 350,000</u>	124,461	<u>\$ (225,539)</u>
EXPENDITURES				
Contractual services	<u>\$ 350,000</u>	<u>350,000</u>	<u>297,346</u>	<u>52,654</u>
TOTAL EXPENDITURES	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>297,346</u>	<u>\$ 52,654</u>
NON-BUDGETED ITEMS				
Reversions			<u>(202,654)</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ (375,539)</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
YOUTH CONSERVATION CORPS -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Gross receipts tax	\$ 2,885,800	\$ 2,885,800	\$ 3,269,359	\$ 383,559
Other state funds	-	-	39	39
Other financing sources	-	-	-	-
Fund balance rebudgeted	<u>661,500</u>	<u>661,500</u>	<u>-</u>	<u>(661,500)</u>
TOTAL REVENUES	<u>\$ 3,547,300</u>	<u>\$ 3,547,300</u>	3,269,398	<u>\$ (277,902)</u>
EXPENDITURES				
Personal services and benefits	\$ 158,100	\$ 160,100	157,769	\$ 2,331
Contractual services	2,986,400	3,249,400	2,893,590	355,810
Other costs	52,800	52,800	33,898	18,902
Other financing uses	<u>350,000</u>	<u>85,000</u>	<u>67,690</u>	<u>17,310</u>
TOTAL EXPENDITURES	<u>\$ 3,547,300</u>	<u>\$ 3,547,300</u>	<u>3,152,947</u>	<u>\$ 394,353</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			<u>\$ 116,451</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
EMNRD CAPITAL PROJECTS GF/STB -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State General Fund appropriation:				
Regular	\$ -	\$ -	\$ -	\$ -
Special	-	-	-	-
Bond proceeds	-	-	-	-
Interest on investments	-	-	-	-
Other state funds	-	-	-	-
Federal funds	-	-	-	-
Other financing sources	3,326,901	3,035,000	4,328,555	1,293,555
Fund balance rebudgeted	<u>3,138,133</u>	<u>3,138,133</u>	<u>-</u>	<u>(3,138,133)</u>
TOTAL REVENUES	<u>\$ 6,465,034</u>	<u>\$ 6,173,133</u>	4,328,555	<u>\$ (1,844,578)</u>
EXPENDITURES				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual services	686,904	686,904	151,711	535,193
Other costs	5,774,630	5,482,729	4,242,416	1,240,313
Other financing uses	<u>3,500</u>	<u>3,500</u>	<u>-</u>	<u>3,500</u>
TOTAL EXPENDITURES	<u>\$ 6,465,034</u>	<u>\$ 6,173,133</u>	4,394,127	<u>\$ 1,779,006</u>
NON-BUDGETED ITEMS				
Reversions			<u>(25,241)</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES				
			<u>\$ (90,813)</u>	

NOTE: There were no reconciling items required for GAAP presentation.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
EMNRD CAPITAL PROJECTS STB -
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2011**

	<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				
Gross receipts tax	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Other financing sources	-	5,131,257	801,527	(4,329,730)
Fund balance rebudgeted	-	-	-	-
TOTAL REVENUES	\$ -	\$ 5,131,257	801,527	\$ (4,329,730)
EXPENDITURES				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual services	-	-	-	-
Other costs	-	3,005,095	688,194	2,316,901
Other financing uses	-	2,126,162	113,333	2,012,829
TOTAL EXPENDITURES	-	5,131,257	801,527	4,329,730
NON-BUDGETED ITEMS				
Reversions			-	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES			\$ -	

NOTE: There were no reconciling items required for GAAP presentation.

SUPPLEMENTAL SCHEDULES

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE 1 - FIDUCIARY FUNDS - AGENCY -
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
June 30, 2011**

	<u>2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>2011</u>
PARKS AND RECREATION DIV. BOAT SUSPENSE FUND				
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,014,675	\$ 1,014,675	\$ -
Due from other state agencies	<u>189,296</u>	<u>162,850</u>	<u>189,296</u>	<u>162,850</u>
TOTAL ASSETS	<u>\$ 189,296</u>	<u>\$ 1,177,525</u>	<u>\$ 1,203,971</u>	<u>\$ 162,850</u>
LIABILITIES				
Due to other funds	\$ 94,648	\$ 588,762	\$ 601,985	\$ 81,425
Due to state general fund	<u>94,648</u>	<u>588,762</u>	<u>601,985</u>	<u>81,425</u>
TOTAL LIABILITIES	<u>\$ 189,296</u>	<u>\$ 1,177,524</u>	<u>\$ 1,203,970</u>	<u>\$ 162,850</u>
GOVERNMENTAL GROSS RECEIPTS TAX SUSPENSE FUND				
ASSETS				
Cash and cash equivalents	\$ -	\$ 225,942	\$ 225,942	\$ -
Due from other funds	<u>51,276</u>	<u>36,815</u>	<u>51,276</u>	<u>36,815</u>
TOTAL ASSETS	<u>\$ 51,276</u>	<u>\$ 262,757</u>	<u>\$ 277,218</u>	<u>\$ 36,815</u>
LIABILITIES				
Accounts payable	\$ -	\$ 174,666	\$ 174,666	\$ -
Due to other state agencies	<u>51,276</u>	<u>248,297</u>	<u>262,758</u>	<u>36,815</u>
TOTAL LIABILITIES	<u>\$ 51,276</u>	<u>\$ 422,963</u>	<u>\$ 437,424</u>	<u>\$ 36,815</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE 1 - FIDUCIARY FUNDS - AGENCY -
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
June 30, 2011**

	<u>2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>2011</u>
OIL DISPOSITION HOLDING FUND				
ASSETS				
Cash	\$ 21,223	\$ 40	\$ -	\$ 21,263
Due from other state agencies	<u>3</u>	<u>2</u>	<u>3</u>	<u>2</u>
TOTAL ASSETS	<u>\$ 21,226</u>	<u>\$ 42</u>	<u>\$ 3</u>	<u>\$ 21,265</u>
LIABILITIES				
Deposits held in custody for others	\$ 21,226	\$ 39	\$ -	\$ 21,265
Due to other state agencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 21,226</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 21,265</u>
RENEWABLE ENERGY TRANSMISSION AUTHORITY				
ASSETS				
Cash	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Due to other state agencies	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE 1 - FIDUCIARY FUNDS - AGENCY -
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
June 30, 2011**

	<u>2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>2011</u>
ASSETS				
Cash	\$ 21,223	\$ 1,240,657	\$ 1,240,617	\$ 21,263
Due from other funds	51,276	36,815	51,276	36,815
Interest receivable	3	2	3	2
Due from other state agencies	<u>189,296</u>	<u>162,850</u>	<u>189,296</u>	<u>162,850</u>
TOTAL ASSETS	<u>\$ 261,798</u>	<u>\$ 1,440,324</u>	<u>\$ 1,481,192</u>	<u>\$ 220,930</u>
LIABILITIES				
Accounts payable	\$ -	\$ 174,666	\$ 174,666	\$ -
Due to other funds	94,648	588,762	601,985	81,425
Due to other state agencies	51,276	248,297	262,758	36,815
Due to state general fund	94,648	588,762	601,985	81,425
Deposits held in custody for others	<u>21,226</u>	<u>39</u>	<u>-</u>	<u>21,265</u>
TOTAL LIABILITIES	<u>\$ 261,798</u>	<u>\$ 1,600,526</u>	<u>\$ 1,641,394</u>	<u>\$ 220,930</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE 2 - SUPPLEMENTAL SCHEDULE OF BANK ACCOUNTS
Year Ended June 30, 2011**

Bank Name	Account Title	Account Type	State Treasurer Account Number	Bank Balance
Bank of the Southwest	20010 - State Parks	Checking	N/A	\$ 28,454
1st National Bank of Clayton	20010 - State Parks	Checking	N/A	458
Citizens Bank of Clovis	20010 - State Parks	Checking	N/A	822
Wells Fargo - Alamogordo	20010 - State Parks	Checking	N/A	-
Wells Fargo - Tucumcari	20010 - State Parks	Checking	N/A	-
Wells Fargo - Las Vegas	20010 - State Parks	Checking	N/A	-
Wells Fargo - Deming	20010 - State Parks	Checking	N/A	-
Wells Fargo - Carlsbad	20010 - State Parks	Checking	N/A	-
Wells Fargo - Carlsbad	20010 - State Parks	Checking	N/A	-
Wells Fargo - Santa Rosa	20010 - State Parks	Checking	N/A	-
1st National Bank of NM	20010 - State Parks	Checking	N/A	-
My Bank - Belen	20010 - State Parks	Checking	N/A	-
First Federal Bank	19900 - General Fund	Checking	N/A	-
New Mexico State Treasurer	10290 - Agency	Checking	1029-521	-
	19900 - General Fund	Checking	199-521	4,703,798
	20000 - Special Revenue	Checking	2000-521	11,954
	20010 - Special Revenue	Checking	2001-521	2,432,309
	20150 - Special Revenue	Checking	2015-521	274,461
	21300 - Special Revenue	Checking	213-521	12,137,983
	30000 - Debt Service	Checking	300-521	10,377
	30900 - Special Revenue	Checking	309-521	168,687
	31000 - Special Revenue	Checking	310-521	-
	31100 - Special Revenue	Checking	311-521	4,080,502
	31400 - Special Revenue	Checking	314-521	-
	31500 - Special Revenue	Checking	315-521	-
	31700 - Special Revenue	Checking	317-521	-
	31800 - Special Revenue	Checking	318-521	-
	31900 - Special Revenue	Checking	319-521	77,707
	32000 - Special Revenue	Checking	320-521	4,985
	32100 - Special Revenue	Checking	321-521	<u>66,980</u>

New Mexico State Treasurer and area banks - page 1 total

23,999,477

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE 2 - SUPPLEMENTAL SCHEDULE OF BANK ACCOUNTS (CONTINUED)
Year Ended June 30, 2011**

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 Revenu	Checking	566-521	381,492
	64600 - Capital Projects	Checking	646-521	3,431,653
	73100 - Special Revenue	Checking	731-521	15,816
	77300 - Agency	Checking	773-521	-
	77400 - Agency	Checking	774-521	-
	77500 - Agency	Checking	775-521	-
	89100 - Agency	Checking	891-521	21,263
	95600 - Special Revenue	Checking	956-521	286,227
	89000 - Special Revenue	Checking	890-521	-
	01400 - YCC - Special Revenue		014-522	3,234,196
Bank of New York - Mellon	30000 - Debt Service	Reserve	N/A	2,251,013
	50900 - Capital Projects	Reserve	N/A	-
NM Finance Authority	30000 - Bond Proceeds	Reserve	N/A	<u>186,891</u>
TOTAL BANK BALANCE OF CASH				<u>\$ 33,808,028</u>
RECONCILIATION OF BANK BALANCES TO CASH REPORTED ON THE STATEMENT OF NET ASSETS				
	Outstanding checks			\$ (28,595)
	Deposits in transit			18,646
	Replenishments to be made			361
	Agency funds			(21,263)
	Petty cash on hand			<u>19,750</u>
TOTAL CASH BALANCE ON STATEMENT OF NET ASSETS				<u>\$ 33,796,927</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE 2 - SUPPLEMENTAL SCHEDULE OF BANK ACCOUNTS (CONTINUED)
Year Ended June 30, 2011**

Agency	Accounts at State Treasurer	BNY Mellon	All Other Banks
Total amount of deposit	\$ 31,340,390	\$ 2,251,013	\$ 216,625
Less FDIC	<u>(250,000)</u>	<u>(250,000)</u>	<u>(216,625)</u>
Total uninsured public money	31,090,390	2,001,013	-
50% collateral requirement (A)	15,545,195	-	-
100% reserve funds with BNY collateral requirement (B)	<u>-</u>	<u>2,041,033</u>	<u>-</u>
Total pledged	<u>(15,545,195)</u>	<u>(2,041,033)</u>	<u>-</u>
OVER (UNDER) PLEDGED	<u>\$ (15,545,195)</u>	<u>\$ 40,020</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) Bank of New York Mellon Pledges internal cash reserves of 100% of deposit amounts.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE 3 – SUPPLEMENTAL SCHEDULE OF
SPECIAL (EMERGENCY) APPROPRIATIONS
June 30, 2011**

Special emergency funds were appropriated due to the wildfires resulting from the dry conditions throughout the state in fiscal year 2011 (see Note 11).

<u>Executive Order</u>	<u>Amount</u>
2011-059	\$ 750,000
2011-058	750,000
2011-057	750,000
2011-056	750,000
2011-055	750,000
2011-051	750,000
2011-049	750,000
2011-048	750,000
2011-046	800,000
2011-045	750,000
2011-044	750,000
2011-043	750,000
2011-042	750,000
2011-041	750,000
2011-040	750,000
2011-039	750,000
2011-038	750,000
2011-037	750,000
2011-035	750,000
2011-033	750,000
2011-032	750,000
2011-028	750,000
2011-027	750,000
2011-026	750,000
2011-022	750,000
2011-020	800,000
2011-018	750,000
2011-017	800,000
2010-024	<u>800,000</u>
	21,950,000
Amount transferred to the general fund for administrative support	<u>(200,000)</u>
Special appropriations for the Fire Disaster Fund as shown on the Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 21,750,000</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, 2011**

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
01900	06-0530	STB06A	111	2006	20/2
60900	06-0561	STB06A	111	2006	20/4
60900	07-3714	STB08A-1	42	2007	14/2
60900	07-3716	STB08A-1	92	2008	12/1
60900	08-3066	STB08A-1	92	2008	12/3
60900	08-3067	STB08SA	92	2008	12/4
60910	08-3068	STB08SA	92	2008	12/5
60910	08-3069	STB08A-1	92	2008	12/6
96850	08-3071	STB08SD	92	2008	13
	09-3013	STB09SA	5	2009	2/B/15
	09-3013	STB08SD	5	2009	2/B/15
82100	09-3013	STB07SD	5	2009	2/B/15
80300	09-3013	STB06SC	4	2010	36
10740	09-3109	STB09A	125	2009	17/1
10740	09-3110	STB09A	125	2009	17/2
10740	09-3111	STB09A	125	2009	18
10920	09-3787	STB10A	7	2009	3/44
60900	10-1106	STB09A	105	2010	18/A/5

* Refer to Note 9 for the break out of this severance tax bond proceeds receivable.

June 30, 2010	FY2011	FY2011	Receivable	Encumbrance
Receivable	Expenditures	Receipts	Balance	Balance
June 30, 2011			June 30, 2011	June 30, 2011
\$ 7,457	\$ 240,043	\$ 247,500	\$ -	\$ -
446	-	446	-	1,729
35,029	-	35,029	-	-
236,483	1,227,588	1,211,144	252,927	25
2,306	381,099	324,886	58,519	613
756	338,612	258,691	80,677	18,818
182,388	237,875	338,263	82,000	167,247
156,797	21,731	178,528	-	-
10,048	214,373	144,372	80,049	443,251
-	-	-	-	3,099,646
-	-	-	-	-
-	493,806	180,473	313,333	-
-	247,796	247,796	-	-
-	234,268	223,526	10,742	154,850
-	749,000	107,000	642,000	-
44,603	302,816	318,528	28,891	467,097
-	381,150	381,150	-	-
-	59,925	59,925	-	1
<u>\$ 676,313</u>	<u>\$ 5,130,082</u>	<u>\$ 4,257,257</u>	<u>\$ 1,549,138</u>	<u>\$ 4,353,277</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE 5 - JOINT POWERS AGREEMENTS
Year Ended June 30, 2011**

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			
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 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
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

**STATE OF NEW MEXICO ENERGY, MINERALS,
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SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2011**

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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 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 Grants Document EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	2/27/2008	12/31/9999	\$ -	N/A	EMNRD

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Year Ended June 30, 2011**

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
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 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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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 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, etc.) Cooperative wildfire suppression services.	EMNRD	11/26/1990	12/31/9999	\$ -	N/A	EMNRD
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

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Year Ended June 30, 2011**

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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	\$ 618,540	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 Catron Improvement of natural resources on lands managed by the County through performance of natural resource restoration projects.	EMNRD	10/4/2010	12/31/9999	\$ 150,000	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
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 performance of natural resource restoration projects.	EMNRD	10/1/2003	12/31/9999	\$ 1,167,000	N/A	EMNRD

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Year Ended June 30, 2011**

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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 Otero Improve natural resources on private lands through the performance of natural resource restoration projects.	EMNRD	2/2/2011	12/31/9999	\$ 261,000	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
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

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SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)
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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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	5/5/1999	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 Santa Fe Improve natural resources on lands in the County through the performance of natural resource restoration projects.	EMNRD	12/28/2010	12/31/9999	\$ -	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
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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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 in 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
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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
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
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
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

**STATE OF NEW MEXICO ENERGY, MINERALS,
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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
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 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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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	10/19/2010	12/31/9999	\$ 215,000	N/A	EMNRD
State Game Commission/DGF Specifies each parties duties and responsibilities in the operation of Mesilla Valley Bosque State Park.	EMNRD	4/21/2005	12/31/9999	\$ -	N/A	EMNRD
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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
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 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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
US Dept.of Energy, City of Carlsbad, Eddy County 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
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) Establish and operate inmate work camp program.	EMNRD	10/15/1997	12/31/9999	\$ -	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
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
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

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Year Ended June 30, 2011**

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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 federal supply schedules of the U.S. General Services Administration (GSA).	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
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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
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 Reserve 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	11/8/2010	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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
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	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
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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2011**

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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 Socorro Documents ability to purchase Fire Engine for Veguita Volunteer Fire Department.	EMNRD	10/4/2010	12/31/2011	\$ 107,000	N/A	EMNRD
County of Harding Documents ability to purchase Fire Engine for Rosebud Fire and Rescue.	EMNRD	10/4/2010	12/31/2011	\$ 107,000	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 - JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2011**

	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 ability to purchase Fire Engine for the County.	EMNRD	10/4/2010	12/31/2011		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

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2011**

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
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
Lava Soil and Water Conservation District Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	10/4/2010	12/31/9999	\$ -	N/A	EMNRD
Village of Ruidoso Improvement of natural resources on lands the Village owns through the performance of natural resource restoration projects.	EMNRD	10/4/2010	12/31/9999	\$ 531,000	N/A	EMNRD
County of Cibola Purchase of a Type 6 Wildland Fire Engine.	EMNRD	9/23/2010	12/31/2011	\$ 107,000	N/A	EMNRD
County of Otero Purchase of a Type 6 Wildland Fire Engine.	EMNRD	9/23/2010	12/31/2011	\$ 107,000	N/A	EMNRD
City of Alamogordo Improvement of natural resources on lands the City owns through the performance of natural resource restoration projects.	EMNRD	9/14/2010	12/31/9999	\$ 531,000	N/A	EMNRD
Town of Clayton Purchase of a Type 6 Wildland Fire Engine.	EMNRD	9/7/2010	12/31/2011	\$ 107,000	N/A	EMNRD

STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2011

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
County of Rio Arriba Purchase of a Type 6 Wildland Fire Engine.	EMNRD	9/7/2010	12/31/2011	\$ 107,000	N/A	EMNRD
City of Raton Improvement of natural resources on lands the City owns through the performance of natural resource restoration projects.	EMNRD	8/13/2010	12/31/9999	\$ 531,000	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, 2011**

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Department of Energy:		
State Energy Program	81.041	\$ 488,766
ARRA - State Energy Program	81.041	18,308,388
Waste Isolation Pilot Project	81.106	1,132,436
ARRA - Energy Assurance Planning	81.122	130,197
ARRA - State Energy Efficiency Appliance Rebate Program	81.127	214,418
ARRA - Energy Efficient Conservation Block Grant	81.128	<u>5,912,876</u>
Total USDE		<u>26,187,081</u>
U.S. Department of Agriculture:		
Forest Service – Cooperative Forestry Assistance	10.664	6,039,616
Forest Service - Watershed Health Plan	10.902	106,962
ARRA - Forest Inventory/Hazardous Fuels	10.688	6,899,665
Forest Service - Watershed Restoration	10.693	58,300
Forest Service - Fire Reimbursement	10.xxx	<u>1,478,732</u>
Total USDA		<u>14,583,275</u>
U.S. Department of Homeland Security:		
U.S. Coast Guard Boating Safety Program	97.012	883,302
Emergency Management Performance	97.042	42,000
FEMA Reimbursement	97.xxx	<u>1,361,858</u>
Total USDHS		<u>2,287,160</u>
U.S. Department of Transportation:		
Federal Highway Admin – National Trails Act	20.219	1,132,049
Federal Highway Admin – La Cueva	20.205	<u>2,585</u>
Total US DOT		<u>1,134,634</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2011**

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Department of the Interior:		
Emergency Fire	15.xxx	<u>292,595</u>
Office of Surface Mining:		
Administration and Enforcement (Coal)	15.250	930,715
Abandoned Mine Land	15.252	<u>3,604,065</u>
Total Office of Surface Mining		<u>4,534,780</u>
Bureau of Land Management		
Ready Reserve	15.xxx	44,639
Abandoned Mine Program	15.236	<u>82,762</u>
Total Bureau of Land Management		<u>127,401</u>
Bureau of Reclamation:		
Water Conservation Field Services	15.530	22,571
USFW Smoke Management	15.FFB	5,000
Title 28 - Handicap Access	15.BBC	<u>646,728</u>
Total Bureau of Reclamation		<u>674,299</u>
US Fish & Wildlife Service:		
US Fish and Wildlife - Endangered Plants	15.615	65,550
US Fish and Wildlife - Sport Fish Restoration Program	15.605	230,510
US Fish and Wildlife - Sunflower Restoration	15.657	<u>7,857</u>
Total US Fish & Wildlife Service		<u>303,917</u>
Total U. S. Department of the Interior		<u>5,932,992</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2011**

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Environmental Protection Agency: Underground Injection Control Program	66.433	325,573
Department of Education State Fiscal Stabilization	84.397	<u>199,300</u>
TOTAL		<u>\$ 50,650,015</u>
Federal Revenue from Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		<u>\$ 50,650,015</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2011**

GENERAL

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

BASIS OF ACCOUNTING

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

NON-CASH ASSISTANCE

The Department did not receive any federal non-cash assistance during the year ended June 30, 2011.

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>
Underground Injection Control Program: 66.433	\$ 325,573
Due to Other State Agency (Environment Department)	<u>(51,971)</u>
Actual Cash Disbursed During the Fiscal Year	<u>\$ 273,602</u>
State Energy Program-ARRA: 81.041	\$ 18,308,388
Due to Other State Agency (Department of Cultural Affairs)	(64,288)
Due to Other State Agency (Public Education Department)	(15,747)
Due to Other State Agency (RLD-ARRA)	(46,188)
Due to Other State Agency (Department of Information Technology)	(10,501)
Due to Other State Agency (GSD-ARRA)	<u>(1,097,758)</u>
Actual Cash Disbursed During the Fiscal Year	<u>\$ 17,073,906</u>
Waste Water Isolation Pilot Project: 81.106	\$ 1,132,436
Due to Other State Agency (Department of Health)	(32,440)
Due to Other State Agency (Environment Department)	(42,192)
Due to Other State Agency (Department of Public Safety)	(184,318)
Due to Other State Agency (DHSEM)	(57,032)
Due to Other State Agency (Public Regulation Commission)	<u>(176,483)</u>
Actual Cash Disbursed During the Fiscal Year	<u>\$ 639,971</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2011**

SUBRECIPIENTS (CONTINUED)

<u>Type</u>	<u>Amount</u>
Energy Efficient Conservation Block Grant: 81.128	\$ 5,912,876
Due to Other State Agency (Environment Department)	<u>(3,140)</u>
Actual Cash Disbursed During the Fiscal Year	<u>\$ 5,909,736</u>
ARRA – Forest Inventory/Hazardous Fuels: 10.688	
Otero County	\$ 306,529
Lincoln County	898,882
Santa Clara	2,055,019
Town of Red River	87,928
San Juan SWCD	906,706
Colfax SWCD	288,798
Town of Angel Fire	268,942
Upper Chama SWCD	<u>74,153</u>
Total Disbursed to Subrecipients	<u>\$ 4,886,957</u>

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

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, 2011, and have issued our report thereon dated December 13, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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 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 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 are described in the accompanying schedule of findings and questioned costs as findings 11-01 and 11-02.

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

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.

Clifton Anderson LLP

Albuquerque, New Mexico
December 13, 2011

**Independent Auditor's Report on Compliance with Requirements That Could
Have a Direct and Material Effect on Each Major Program and on Internal Control
over Compliance in Accordance with OMB Circular A-133**

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

Compliance

We have audited the compliance of the State of New Mexico Energy, Minerals, and Natural Resources Department (the Department) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2011. The Department's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Department's management. Our responsibility is to express an opinion on the Department's compliance based on our audit.

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

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, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as finding 11-03.

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.

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.

Clifton Gunderson LLP

Albuquerque, New Mexico
December 13, 2011

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA

Number(s)	Name of Federal Program or Cluster
10.688	Forest Inventory/Hazardous Fuels
20.219/20.205	Federal Highway Administration
81.128	Energy Efficient Conservation Block Grant
81.041	State Energy Program

Dollar threshold used to distinguish between type A and type B programs \$1,519,500

Auditee qualified as low-risk auditee? yes no

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011**

Section II – Financial Statement Findings

Finding 11-01 Untimely Reversions to State General Fund (Non-compliance)

Condition: The Department brought to our attention that they did not revert \$161,954 of unexpended funds in a timely manner to the New Mexico State General Fund (NMSGF).

Criteria: Section 6-5-1-(A) NMSA 1978 requires all unreserved, undesignated fund balances in reverting funds to be transferred to the NMSGF by September 30, 2011.

Cause: Lack or failure of controls surrounding reconciliation and reversion calculation.

Effect: The Department is not in compliance with Section 6-5-10(A) NMSA 1978.

Recommendation: The Department should perform a reconciliation process for all of the reverting funds on a regular basis. This would allow management to view available and expended funds at any point in time.

Management's Response: A small portion of a 2004 general fund capital appropriation was allotted to the Energy Conservation Management Division, and transferred from the capital project fund into the Energy Efficiency Revolving Fund, to conduct energy audits. Until recently, ECMD staff was unaware that funds transferred into a non-reverting revolving fund and not expended must revert in accordance with the original appropriation language.

In researching the funds for the GASB 54 implementation, staff discovered that a small portion of a special appropriation from 2001 was remaining in the fund balance of a non-reverting fund. We could find no documentation to support that these funds should be non-reverting. Consequently, management elected to revert the small balance and close the fund.

Staff is very diligent in assuring that all reversions are done in a timely manner. However both of these reversions had special circumstances attached to them and future reversions will be done in a timely manner.

Finding 11-02 Segregation of Duties Surrounding Approval Process (Deficiency in Internal Control)

Condition: Although we noted strong controls surrounding gas card disbursements during our testwork, we noted one instance out of five where the approving individual was the holder of the credit card. There was not an appropriate segregation of duties over the review process for the gas card disbursements.

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, which includes adequate segregation of duties surrounding approvals.

Cause: Lack of adequate segregation of duties over gas card expenditures.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011**

Section II – Financial Statement Findings (continued)

Finding 11-02 Segregation of Duties Surrounding Approval Process (Deficiency in Internal Control) (continued)

Effect: There is increased potential for misuse of the Department's gas cards.

Recommendation: We recommend the Department implements a stronger level of segregation of duties over gas card disbursements.

Management's Response: Beyond the supervisor-level review and initialing of a vehicle log, segregation of gas card duties is currently provided by a fiscal officer from the Fiscal Bureau. That fiscal officer reviews each of the vehicle logs against the Wright Express gas card invoices, often evidenced by highlighted markings. As is evident from our files, that fiscal officer then makes appropriate inquiries regarding material discrepancies. Copies of the inquiries and responses, often by email, are included in the file to document their follow-up. The fiscal officer then uses their password protected access to SHARE to create a voucher request that again serves as documentation that segregation is being performed within OCD at the division level. OCD gas card expenditures are never allowed to be paid without segregation. That said, the fiscal officer's review is only documented by the highlights or other marks left on the invoice/log; by the emails they authored and included in the paperwork identifying them as the inquirer; and by their electronic signature that is stored in SHARE and printed upon creation of a voucher request that demonstrates that they, as a fiscal officer, have reviewed the invoice and supporting documentation and have approved proceeding to additional review and ultimate payment of the gas card invoice. OCD will investigate additional ways to acknowledge the segregated review of its fuel card expenditure that is taking place, including initialing of the invoice and or log by the fiscal officer.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011**

Section III – Federal Award Findings and Questioned Costs

Finding 11-03 Salary Costs Allocated to Federal Programs (OMB A-133 noncompliance)

Program: CFDA # 10.688 ARRA Forest Inventory/Hazardous Fuels

Questioned Costs: \$28,000

Condition: The USDA Office of Inspector General (OIG) recently reviewed activities of Forest Service financial assistance awards authorized under the American Recovery and Reinvestment Act (ARRA). The Department was one of the recipients that participated in this review. The OIG determined that some salary costs were not properly tracked or allocated to grants in accordance with Office of Management and Budget (OMB) requirements and Federal Cost Principles. Because the OIG found this situation throughout the Forest Service Agency with a variety of recipients, including the Department, the OIG has identified this as an issue that may apply to other Forest Service recipients of Federal Financial Assistance.

Criteria: 2 CFR 225 Cost principles (formerly OMB Circular A-87) and OMB Circular A-102, Uniform Administrative Requirements.

Effect: Noncompliance with OMB's cost allocation requirements. The OIG report dated May 5, 2011, stated – "As of February 2011, the Forest Service had reimbursed the grant recipient nearly \$28,000 for salary costs that were unsupported." Additional questioned costs and potential recovery by the Forest service is unknown at this time.

Recommendation: The oversight agency is requiring that recipient agencies begin a review of procedures and make adjustments needed to comply with cost principles and circulars noted above and certify that the recipient is in compliance with the applicable OMB Circulars and Cost Principles.

Management's Response: The New Mexico Forestry Division has revised its accounting and tracking processes for personnel charges since the completion of the audit in order to better comply with 2 CFR 225, Cost Principles (formerly OMB Circular A-87). We have begun to require personnel activity reports for all employees that are charged to multiple cost objectives. The personnel activity report requires each employee to charge their hours each day to the various cost objectives they have worked on. We receive these personnel activity reports each pay period and they are signed by the employee and supervisor. We allocate costs to the various cost objectives on a pro-rata basis based on these personnel activity reports.

On employees that work on a single cost objective, we have received signed certifications from these employees to document this. We will renew these certifications semi-annually to confirm the employee continues to be working on a single cost objective. The personnel activity reports, single cost objective certifications and related cost allocation records are maintained for future audit purposes.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011**

Section III – Federal Award Findings and Questioned Costs (continued)

Finding 11-03 Salary Costs Allocated to Federal Programs (OMB A-133 Noncompliance)
(continued)

We have met with USFS personnel and they agree that we have made the appropriate changes to our process. With our December 31, 2011 SF-425, we will certify to the USFS that we are currently in compliance with 2 CFR 225, Cost Principles (formerly OMB Circular A-87). We believe we are on the right track to be in compliance with personnel costs for federal reporting purposes. We currently do not believe that the USFS will be pursuing cost recovery on the nearly \$28,000 referenced in the report.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2011**

Section II – Financial Statement Findings

Finding 10-01 Gasoline Credit Card Disbursements – Cleared

Section III – Federal Award Findings and Questioned Costs

There were no findings for the year ended June 30, 2010.

**STATE OF NEW MEXICO ENERGY, MINERALS,
AND NATURAL RESOURCES DEPARTMENT
EXIT CONFERENCE
June 30, 2011**

An exit conference was held with the Department on December 1, 2011. The conference was held at the Department's offices in Santa Fe, New Mexico. In attendance were:

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

John Bemis, Cabinet Secretary
Brett Woods, Deputy Cabinet Secretary
Alexis Lotero, ASD Director
Kim Keahbone, CPA Accounting Manager

CLIFTON GUNDERSON LLP

Janet Pacheco-Morton, CPA, CGFM, Partner
Laura Beltran Schmitz, CPA, CFE, CGFM, Manager
Jennifer White, CPA, Senior Associate

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.