

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

**FINANCIAL STATEMENTS  
June 30, 2012**

## TABLE OF CONTENTS

	PAGE
<b>OFFICIAL ROSTER</b> .....	1
<b>INDEPENDENT AUDITORS' REPORT</b> .....	2
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b> .....	5
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Statement of Net Assets .....	19
Statement of Activities.....	21
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	22
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets.....	24
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities .....	27
Statement of Revenues and Expenditures – Major Governmental Funds – Budget and Actual (Budgetary Basis).....	28
Statement of Fiduciary Assets and Liabilities – Agency Funds.....	33
Notes to Financial Statements .....	34
<b>SUPPLEMENTAL INFORMATION</b> .....	69
Statement of Revenues and Expenditures - Major Governmental Funds - Budget and Actual (Budgetary Basis).....	70
Combining Balance Sheet - By Fund Type – Non-Major Governmental Funds.....	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type – Non-Major Governmental Funds.....	78
Combining Balance Sheet - Non-Major Special Revenue Funds.....	80

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Special Revenue Funds.....	83
Combining Balance Sheet - Non-Major Capital Projects Funds.....	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -Non-Major Capital Projects Funds .....	87
Motor Boat Fuel Tax Fund - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	89
Oil Reclamation Fund - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	90
Natural Lands Protection Fund - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	91
Conservation Planting Revolving Fund - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	92
Forest Land Protection Fund - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	93
Petroleum Violation Escrow Fund – Stripper Well - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	94
Surface Mining Permit Fees Fund - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	95
New Mexico Mining Act Penalty Fund - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	96
Surface Mining Penalty Fund - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	97
New Mexico Mining Act Fund - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	98
Inmate Work Camp Fund - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	99
Energy Efficiency Assessment Revolving Fund - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis).....	100
Youth Conservation Corps - Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) .....	101
EMNRD Capital Projects GF/STB – Statement of Revenues and Expenditures – Budget and Actual (Budgetary Basis).....	102
EMNRD Capital Projects STB – Statement of Revenues and Expenditures – Budget and Actual (Budgetary Basis).....	103

**SUPPLEMENTAL SCHEDULES ..... 104**

Schedule 1 - Fiduciary Funds - Agency – Schedule of Changes in Assets and Liabilities .....	105
Schedule 2 - Supplemental Schedule of Bank Accounts .....	108
Schedule 3 - Supplemental Schedule of Special (Emergency) Appropriations.....	111
Schedule 4 - Supplemental Schedule of Severance Tax Bond Proceeds.....	112
Schedule 5 - Joint Powers Agreements.....	114

<b>SINGLE AUDIT</b> .....	135
Schedule of Expenditures of Federal Awards.....	136
Notes to the Schedule of Expenditures of Federal Awards .....	139
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	141
Independent Auditors' 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 .....	143
Schedule of Findings and Questioned Costs .....	145
Summary Schedule of Prior Year Audit Findings .....	149
Exit Conference .....	150

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
OFFICIAL ROSTER  
June 30, 2012**

**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



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## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the State of New Mexico Energy, Minerals, and Natural Resources Department (the Department) as of and for the year ended June 30, 2012, 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, 2012, as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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, 2012, 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, 2012, 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, 2012, 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 14, 2012, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, 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 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has

been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

*CliftonLarsonAllen LLP*

Albuquerque, New Mexico  
December 14, 2012



**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

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

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

### **Financial Highlights**

- The Department's governmental net assets increased by \$160,504 in fiscal year 2012.
- The Department's total revenues decreased by \$21,111,390 for fiscal year 2012.
- The total cost of all Department programs was \$88,260,447, an increase of \$1,433,141 for fiscal year 2012.

### **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

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

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 field offices follow the New Mexico Forest and Watershed Health Plan and the New Mexico Statewide Natural Resources Assessment and Strategy Plan for establishing and maintaining a collaborative, landscape-scale framework for these efforts.

The 2012 Fire Season was below average in terms of number of acres burned and number of fires. This year, the Division had 711 fires that burned approximately 123,447 acres and 266 residences were destroyed. The Division believes the pre-positioning of additional fire suppression forces helped to keep many fires small and less expensive.

The FY 2013 fire season's predicted weather pattern is above normal significant fire potential across New Mexico. Equatorial Pacific sea surface temperatures continue to hold at weak El Niño conditions and will likely remain steady through the 2012-13 winter. Some drought stricken areas will continue to present potential for significant fires to occur when other weather factors combine with the continued dryness of fuels. The potential exists for periods of above normal fire potential to develop throughout the winter and spring.

**Mine Reclamation Program.** The Mine Reclamation Program continues to make strides in assuring the responsible utilization, reclamation and safeguarding of New Mexico's lands affected by mining. New Mexico is a leader in responsible mine operation and reclamation.

The Mining Act Reclamation Program (MARP) is responsible for regulating hard rock mines on all federal, state and private lands within New Mexico. This program oversees the reclamation of all exploration and extraction activities conducted at all mines and mills, excluding coal, potash and aggregate mines. MARP has permitted 481 mining and exploration projects encompassing over \$572 million in financial assurance. The overall disturbed acreage under

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

permit with MARP is 25,522 acres. The total number of acres reclaimed through the history of the Program (1994 – 2010) is now at 5,870 acres.

The Coal Reclamation Program is responsible for regulating coal mines on all federal, state and private lands within New Mexico, with the exception of Indian lands. The program oversees more than 85,000 acres of permitted mine lands and nearly \$500 million in financial assurance.

The Abandoned Mine Program works to identify dangerous abandoned mine areas across the state and to abate their hazards. The Mining and Minerals Division (MMD) estimates that more than 10,000 hazardous mine openings remain un-reclaimed throughout New Mexico. In 2012, the AML Program completed four construction projects at abandoned mine sites in New Mexico, including the largest project AML has undertaken. On Vermejo Park Ranch outside of Raton, the historic Swastika Coal Mine and mine features in nearby Dutchman Canyon were reclaimed using geomorphic reclamation, a technique that recreates natural drainage and hill slope forms, at a cost of \$4.4 million.

The Mine Registration, Reporting and Safeguarding Program ensures decision-makers throughout New Mexico benefit from the valuable information compiled and disseminated through this program, which also serves as MMD's public information office. Comprehensive information is provided on mineral resources, mine registration, reclamation and safeguarding efforts, legislation and other MMD activities related to New Mexico's mineral extraction industry and mineral resources. For individuals more interested in talking to a real live staff member, as opposed to surfing the website, the program prides itself on its responsiveness to questions received via telephone or email.

The interest in new uranium project start-ups tapered off in 2010, and significantly slowed down after the Fukushima nuclear reactor disaster in March of 2011. Interest and funding of new mining and exploration projects has shifted back to copper, molybdenum and precious metals. These commodity values have been increasing, while uranium values have been dropping. Recently, interest in rare earth metals has developed in New Mexico. In 2011, there were four rare earth exploration permit applications filed with the program.

**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 an estimated \$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 36<sup>th</sup> state park – Pecos Canyon State Park – during the 2009 session. The Pecos Canyon Park remains undeveloped and not scheduled to open due to funding issues. 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 lake access to 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 2012 was approximately 8 percent lower than in FY 2011, while self-generated fee revenue from camping and day-use fees decreased by 7 percent over FY11. The Division is working to further increase and diversify funding sources and programs by

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

creating new revenue opportunities, such as expanding concessions and offering advertisement opportunities to the local businesses.

During FY12, the State Parks Division replaced a fifty-year old visitor center at Cimarron Canyon State Park, constructed equipment shelters at Elephant Butte State Park and added space to the existing visitor center at Ute Lake State Park. The Division continued statewide repairs and improvements to existing buildings, structures and roadways, while continuing to expand photovoltaic systems statewide to help curb rising energy costs.

State Parks also continues to effectively implement the boating safety education laws, while the Division continues to build a nationally-recognized "Outdoor 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 2012 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; Oil Conservation Division and Youth Conservation Corps 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.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**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.

**Management's Discussion and Analysis**

The 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

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

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-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.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**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.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**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, 2012. Total Department net assets for fiscal year 2012 were \$98,742,226. Unrestricted net assets in Governmental Activities were \$2,831,719 at the end of the fiscal year. Restricted net assets including capital projects, debt service and special appropriations were \$35,236,094. The balance of \$60,674,413 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 2012</u>	<u>FY 2011</u>	<u>Amount Change</u>	<u>Total % Change</u>
<b>Assets:</b>				
Current and other assets	\$ 56,389,817	\$ 55,507,004	\$ 882,813	2%
Capital and non-current assets	<u>74,957,828</u>	<u>74,435,100</u>	<u>522,728</u>	1%
<b>Total assets</b>	<u>\$131,347,645</u>	<u>\$129,942,104</u>	<u>\$ 1,405,541</u>	1%
<b>Liabilities:</b>				
Current liabilities	\$ 19,784,416	\$ 19,813,959	\$ (29,543)	0%
Long-term liabilities	<u>12,821,003</u>	<u>14,766,676</u>	<u>(1,945,673)</u>	-13%
<b>Total liabilities</b>	<u>32,605,419</u>	<u>34,580,635</u>	<u>(1,975,216)</u>	-6%
<b>Net assets:</b>				
Invested in capital assets, net of related debt	52,484,095	58,362,023	(5,877,928)	-10%
Restricted	43,426,412	32,979,687	10,446,725	32%
Unrestricted	<u>2,831,719</u>	<u>4,019,759</u>	<u>(1,188,040)</u>	-30%
<b>Total net assets</b>	<u>98,742,226</u>	<u>95,361,469</u>	<u>3,380,757</u>	4%
<b>Total liabilities and net assts</b>	<u>\$131,347,645</u>	<u>\$129,942,104</u>	<u>\$ 1,405,541</u>	1%

The Department's net assets increased \$3,380,757 over the course of this fiscal year's operations. This is the net effect of a restatement in the amount of \$3,220,253 and a positive change in net assets of \$160,504. The following financial information is a comparison of net assets for 2012 and 2011.

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



**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

(net of accumulated depreciation). Total liabilities consist of accrued interest payable, accounts payable, amounts due to fiduciary funds, accrued salaries and employee benefits payable, amounts due to the state's general fund and other agencies and the current amount of other obligations and compensated absences payable. Net assets are comprised of investment in capital assets, restricted and unrestricted amounts. In 2012, 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 approximately \$1.4 million from fiscal year 2011. Also, there was a decrease in net receivables of \$568,491 from fiscal year 2011. Net capital assets increased from the FY2011 stated amount by \$522,728, partly due to additions of easements.

**Total liabilities.** In current liabilities, some factors contributing to the variance were a decrease in accrued payroll, which decreased \$51,534, and the amount of Due to State General Fund, which decreased by \$1,021,827. Other liabilities, such as accounts payable, increased from FY11 in the amount of \$1,043,818.

**Total net assets.** The net assets for the Department increased from 2011 by \$160,504. The Department's total revenues decreased by approximately 18%, from \$116,013,344 to \$94,901,954. The Department's total expenses increased by approximately 2%, from \$86,827,306 to \$88,260,447. Total net assets increased by less than 1% from a restated balance of \$98,581,722 to \$98,742,226.

### **Changes in Net Assets**

The Department's change in net assets for fiscal year 2012 was an increase of \$160,504 (see Table A-2). A significant portion, thirty-two percent (32%), of the Department's revenue comes from State General Fund Appropriations. Forty-two percent (42%) comes from operating grants and contributions, which include Federal grant revenue of approximately \$39 million; nine percent (9%) comes from gross receipts tax and five percent (5%) comes from charges for services.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

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

	<u>FY 2012</u>	<u>FY 2011</u>	<u>Amount Change</u>	<u>Total % Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 4,810,200	\$ 5,005,840	\$ (195,640)	-4%
Operating grants and contributions	<u>40,271,526</u>	<u>50,650,015</u>	<u>(10,378,489)</u>	-20%
Total program revenues	<u>45,081,726</u>	<u>55,655,855</u>	<u>(10,574,129)</u>	-19%
General revenues:				
Appropriations, net of reversions	30,076,931	40,303,186	(10,226,255)	-25%
Interest	16,727	11,670	5,057	43%
Gross Receipts Tax	8,391,710	7,859,510	532,200	7%
Bond proceeds -				
Severance Tax	4,065,901	5,130,082	(1,064,181)	-21%
Gasoline Tax	190,860	191,746	(886)	0%
Conservation Tax	5,162,606	4,200,459	962,147	23%
Other	191,133	2,660,836	(2,469,703)	-93%
Other state funds	<u>1,849,360</u>	<u>-</u>	<u>1,849,360</u>	
Total general revenues	<u>49,945,228</u>	<u>60,357,489</u>	<u>(10,412,261)</u>	-17%
Total revenues	95,026,954	116,013,344	(20,986,390)	-18%
Expenses:				
Natural resources and recreation	88,260,447	86,827,306	1,433,141	2%
Loss on sale of equipment	344,671	-	344,671	
Interagency transfers, net	<u>(6,261,332)</u>	<u>(12,972,366)</u>	<u>6,711,034</u>	-52%
Change in net assets	160,504	16,213,672	(15,708,497)	-97%
Net assets, beginning of year	95,361,469	79,147,797	16,213,672	20%
Restatement	<u>3,220,253</u>	<u>-</u>	<u>3,220,253</u>	100%
Net assets, beginning of year, restated	<u>98,581,722</u>	<u>79,147,797</u>	<u>19,433,925</u>	25%
Net assets, end of year	<u>\$ 98,742,226</u>	<u>\$ 95,361,469</u>	<u>\$ 3,725,428</u>	4%

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**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 \$4,810,200, which include park admissions, overnight camping, concessionaire income, license and permit sales, and land and shelter rentals.

**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.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**Table A-3  
Governmental Activities by Program**

<b>Program</b>	<b>Expenses</b>	<b>Percentage Spent by Program</b>
Renewable Energy & Energy Efficiency	\$ 17,128,854	20%
Forestry & Fire Disasters	27,576,937	31%
Mine Reclamation	7,410,035	8%
Oil and Gas Conservation	7,324,997	8%
State Parks	20,587,862	23%
Program Support	4,165,055	5%
Youth Conservation Corps	3,613,795	4%
	<u>\$ 87,807,535</u>	100%

**Fund Balance**

As the Department completed the year, its governmental funds reported a combined fund balance of \$39,994,409, which is \$696,016 higher than last year. There was a significant decrease in federal funds this year. There was a deficiency of revenues under expenditures.

The ending fund balance of \$40 million is comprised of amounts restricted and committed. The restricted fund balance is approximately \$37 million. Committed fund balance has a balance of approximately \$2.6 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 \$(193,451).

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 FY11 are as follows:

- The Emergency Fire Disaster fund decreased by \$941,402.
- The Abandoned Mine Reclamation fund increased by \$7,002.
- The State Parks fund decreased by \$753,641.
- The Debt Service fund increased by \$9,705.
- The Capital Projects GGRT fund increased by \$284,013.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**General Fund Budgetary Highlights**

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

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

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

The Department received several capital project appropriations for FY 2012.

The Governor issued 16 executive orders for FY 2012 for emergency fire suppression activities in the amount of \$12,000,000.

**Capital Assets and Debt Administration**

At the end of fiscal year 2012, the Department has invested a total of \$145,455,413 in governmental-type activities in a variety of capital assets (fixed assets). This amount represents a net increase (including additions and deductions, excluding depreciations) of \$5,193,718, which is approximately 4% over last fiscal year. The major increases in capital assets during the fiscal year were in the areas of easements. The State Parks Division funds numerous capital projects annually to include various boat ramp extensions, visitor center remodeling, statewide water and wastewater improvements, statewide shelter/picnic table replacements, campground facilities construction and enhancement, and repairs to historic administration buildings and walkways. This is due in part to a concerted effort by the State Parks Division to maintain facilities in a manner that will attract both in-state and out-of-state visitors.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2012**

**Table A-4  
Department's Capital Assets**

	(Dollars in Millions)			
	FY 2012	FY 2011	Amount Change	Total % Change
Land	\$ 8.2	\$ 12.5	\$ (4.3)	-34%
Land Improvements	27.6	27.5	0.1	0%
Buildings and Improvements	76.0	73.7	2.3	3%
Equipment and Machinery	13.8	13.8	-	0%
Furniture and Fixtures	0.5	0.5	-	0%
Vehicles and Automotive	7.8	8.0	(0.2)	-3%
Data Processing Equipment	0.8	0.6	0.2	33%
Museum Acquisitions	0.5	0.5	-	0%
Projects in Process	1.7	2.9	(1.2)	-41%
Easements and other Intangibles	8.5	-	8.5	100%
<b>Total assets</b>	<b>\$ 145.4</b>	<b>\$ 140.0</b>	<b>\$ 5.4</b>	<b>4%</b>

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 7 to the financial statements. Accumulated depreciation for these capital assets is calculated at \$70,497,585.

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 eight outstanding bond issues and a federal loan entered into by the State Parks Department. At the end of FY 2012, the amount outstanding on these obligations was \$14 million. Detailed information about the Department's long-term debt is presented in Note 9 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, 2012**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 135,413
Investment in State Treasurer General Fund Investment Pool	32,672,712
Restricted Cash	2,440,106
Receivables:	
Federal government	18,329,921
Due from fiduciary fund	125,545
Due from other state agencies	2,547,351
Other receivables	<u>138,769</u>
Total current assets	<u>56,389,817</u>
<b>NON-CURRENT ASSETS</b>	
Intangible assets	8,190,318
Capital assets	137,265,095
Less: accumulated depreciation	<u>(70,497,585)</u>
Total non-current assets	<u>74,957,828</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 131,347,645</u>

	<b>Governmental Activities</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 12,822,367
Accrued interest payable	133,313
Due to fiduciary fund	36,129
Due to State General Fund	412,709
Due to other state agencies	1,863,074
Accrued payroll	1,261,129
Current portion of compensated absences payable	1,437,198
Current portion of long-term obligations	<u>1,818,497</u>
Total current liabilities	<u>19,784,416</u>
<b>LONG-TERM OBLIGATIONS</b>	
Non-current compensated absences	356,085
Non-current portion of long-term obligations	<u>12,464,918</u>
Total long-term obligations	<u>12,821,003</u>
<b>TOTAL LIABILITIES</b>	<u>32,605,419</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of any related debt	52,484,095
Restricted for:	
Capital projects	4,156,437
Debt services, net of accrued interest payable	2,324,673
Special monies	36,945,302
Unrestricted	<u>2,831,719</u>
Total net assets	<u>98,742,226</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 131,347,645</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, 2012**

	<b>Governmental Activities</b>
<b>EXPENSES</b>	
Renewal Energy Program	\$ 17,128,854
Healthy Forests Program	5,325,123
State Parks Program	20,587,862
Mine Reclamation Program	7,410,035
Oil & Gas Conservation Program	7,324,997
Program Support	4,165,055
Conservation	3,613,795
Fire disasters	22,251,814
Interest	417,162
Other	35,750
Total expenses	88,260,447
<b>PROGRAM REVENUE</b>	
Charges for services	4,810,200
Operating grants and contributions	40,271,526
Net program revenue (expense)	(43,178,721)
<b>GENERAL REVENUES AND TRANSFERS</b>	
Appropriations (net of reversions)	30,076,931
Interest	16,727
Other state funds	1,849,360
Gross receipts tax	8,391,710
Conservation taxes	5,162,606
Gasoline tax	190,860
Bond proceeds - severance tax	4,065,901
Inter-agency transfers	(6,261,332)
Loss on sale of equipment	(344,671)
Other revenue	191,133
Total general revenues and transfers	43,339,225
<b>CHANGE IN NET ASSETS</b>	160,504
<b>NET ASSETS, BEGINNING OF YEAR</b>	95,361,469
<b>RESTATEMENT</b>	3,220,253
<b>NET ASSETS, BEGINNING OF YEAR RESTATED</b>	98,581,722
<b>NET ASSETS, END OF YEAR</b>	\$ 98,742,226

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, 2012

	General Fund 19900	Emergency Fire Disaster Fund 21300	Abandoned Mine Reclamation Fund 65600
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,995	\$ -	\$ -
Investment in State Treasurer General Fund Investment Pool	-	10,162,991	4,696,998
Restricted cash	-	-	-
Receivables:			
Federal government	4,704,269	10,663,743	-
Due from other funds	130,593	2,047,954	-
Due from fiduciary fund	-	-	-
Due from other state agencies	38,261	-	964
Other receivables	5,690	44	-
<b>TOTAL ASSETS</b>	<b>\$ 4,881,808</b>	<b>\$ 22,874,732</b>	<b>\$ 4,697,962</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,043,695	\$ 5,894,530	\$ -
Due to other funds	1,486,944	55,747	-
Due to Fiduciary Fund	159	-	-
Due to State General Fund	17,094	395,615	-
Due to other state agencies	601,446	30,632	-
Accrued payroll	573,089	123,576	-
Total liabilities	4,722,427	6,500,100	-
<b>FUND BALANCES</b>			
Restricted	-	16,374,632	4,697,962
Committed	159,381	-	-
Total fund balances	159,381	16,374,632	4,697,962
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,881,808</b>	<b>\$ 22,874,732</b>	<b>\$ 4,697,962</b>

<u>Major</u>	<u>Funds</u>					<u>Total</u>
<u>State Parks</u> <u>Fund 20010</u>	<u>ARRA</u> <u>Fund 89000</u>	<u>Debt</u> <u>Service</u> <u>Fund 30000</u>	<u>EMNRD</u> <u>Capital Projects</u> <u>GGRT Fund 64600</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Governmental</u>	
\$ 132,418	\$ -	\$ -	\$ -	\$ -	\$ 135,413	
1,980,653	-	17,880	3,872,305	11,941,885	32,672,712	
-	-	2,440,106	-	-	2,440,106	
859,590	2,094,519	-	-	7,800	18,329,921	
-	-	-	-	17,500	2,196,047	
125,545	-	-	-	-	125,545	
408,180	-	-	372,000	1,727,946	2,547,351	
86,924	-	-	-	46,111	138,769	
<u>\$ 3,593,310</u>	<u>\$ 2,094,519</u>	<u>\$ 2,457,986</u>	<u>\$ 4,244,305</u>	<u>\$ 13,741,242</u>	<u>\$ 58,585,864</u>	
\$ 558,361	\$ 873,208	\$ -	\$ 244,135	\$ 3,208,438	\$ 12,822,367	
58,497	368,960	-	7,523	218,376	2,196,047	
35,629	-	-	-	341	36,129	
-	-	-	-	-	412,709	
-	835,705	-	-	395,291	1,863,074	
495,577	16,646	-	6,645	45,596	1,261,129	
<u>1,148,064</u>	<u>2,094,519</u>	<u>-</u>	<u>258,303</u>	<u>3,868,042</u>	<u>18,591,455</u>	
-	-	2,457,986	3,986,002	9,779,421	37,296,003	
2,445,246	-	-	-	93,779	2,698,406	
<u>2,445,246</u>	<u>-</u>	<u>2,457,986</u>	<u>3,986,002</u>	<u>9,873,200</u>	<u>39,994,409</u>	
<u>\$ 3,593,310</u>	<u>\$ 2,094,519</u>	<u>\$ 2,457,986</u>	<u>\$ 4,244,305</u>	<u>\$ 13,741,242</u>	<u>\$ 58,585,864</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, 2012**

<b>Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)</b>	<b>\$ 39,994,409</b>
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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	145,455,413
Accumulated depreciation is	<u>(70,497,585)</u>
 Total capital assets	 74,957,828

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	(14,283,415)
Accrued interest payable	(133,313)
Compensated absences payable	<u>(1,793,283)</u>
 Total long-term and other liabilities	 <u>(16,210,011)</u>

<b>Net assets of governmental activities (Statement of Net Assets)</b>	<b><u>\$ 98,742,226</u></b>
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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, 2012

	General Fund 19900	Emergency Fire Disaster Fund 21300	Abandoned Mine Reclamation Fund 65600
<b>REVENUES</b>			
Boating fees	\$ -	\$ -	\$ -
Interest	-	-	7,002
Other state funds	-	-	-
Park admissions	27,332	-	-
Lease and rental income	825	-	-
Federal funds	15,205,657	9,489,008	-
Concession income	-	-	-
Gross receipts tax	-	-	-
Conservation taxes	-	-	-
Gasoline tax	-	-	-
Other	3,734	787	-
Total revenues	<u>15,237,548</u>	<u>9,489,795</u>	<u>7,002</u>
<b>EXPENDITURES</b>			
Current:			
Renewable Energy Program	10,148,907	-	-
Healthy Forests Program	839,415	-	-
State Parks Program	-	-	-
Mine Reclamation Program	6,274,059	-	-
Oil & Gas Conservation Program	3,963,657	-	-
Program Support	4,019,078	-	-
Conservation	-	-	-
Fire disasters	-	20,845,710	-
Capital outlay	71,841	-	-
Debt service-principal	-	-	-
Debt service-interest	-	-	-
Debt service-miscellaneous	-	-	-
Total expenditures	<u>25,316,957</u>	<u>20,845,710</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(10,079,409)</b>	<b>(11,355,915)</b>	<b>7,002</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Inter-agency transfers - State general fund appropriation:			
Regular	10,288,900	-	-
Governor's Executive Orders	-	12,000,000	-
Intra-agency transfers, net	734,553	(144,756)	-
Inter-agency transfers - reversions	(17,418)	(1,440,731)	-
Inter-agency transfers - severance tax	-	-	-
Inter-agency transfers - other, net	(1,120,077)	-	-
Proceeds from sale of capital assets	-	-	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b><u>9,885,958</u></b>	<b><u>10,414,513</u></b>	<b><u>-</u></b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(193,451)</b>	<b>(941,402)</b>	<b>7,002</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b><u>352,832</u></b>	<b><u>17,316,034</u></b>	<b><u>4,690,960</u></b>
<b>FUND BALANCES, END OF YEAR</b>	<b><u>\$ 159,381</u></b>	<b><u>\$ 16,374,632</u></b>	<b><u>\$ 4,697,962</u></b>

Major		Funds				Other	Total
State Parks	ARRA	Debt	EMNRD	Other			
Fund 20010	Fund 89000	Service	Capital Projects	Governmental		Governmental	
		Fund 30000	GGRT Fund 64600	Funds			
\$ 452,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 452,914	
-	-	9,706	-	19	-	16,727	
765,596	-	-	-	1,083,764	-	1,849,360	
1,324,570	-	-	-	-	-	1,351,902	
2,610,198	-	-	-	-	-	2,611,023	
2,344,533	13,224,528	-	-	7,800	-	40,271,526	
394,361	-	-	-	-	-	394,361	
-	-	-	4,897,525	3,494,185	-	8,391,710	
-	-	-	-	5,162,606	-	5,162,606	
-	-	-	-	190,860	-	190,860	
67,233	20	-	1,638	117,721	-	191,133	
<u>7,959,405</u>	<u>13,224,548</u>	<u>9,706</u>	<u>4,899,163</u>	<u>10,056,955</u>		<u>60,884,122</u>	
-	5,730,617	-	-	166,950	-	16,046,474	
-	2,852,898	-	-	1,296,313	-	4,988,626	
17,450,545	-	-	1,614,163	222,199	-	19,286,907	
-	-	-	-	667,733	-	6,941,792	
-	-	-	-	2,898,470	-	6,862,127	
-	-	-	-	-	-	4,019,078	
-	-	-	-	3,385,438	-	3,385,438	
-	-	-	-	-	-	20,845,710	
177,958	328,292	-	557,484	2,130,603	-	3,266,178	
51,792	-	1,737,870	-	-	-	1,789,662	
17,681	-	646,711	-	-	-	664,392	
-	-	35,750	-	-	-	35,750	
<u>17,697,976</u>	<u>8,911,807</u>	<u>2,420,331</u>	<u>2,171,647</u>	<u>10,767,706</u>		<u>88,132,134</u>	
(9,738,571)	4,312,741	(2,410,625)	2,727,516	(710,751)		(27,248,012)	
9,246,200	-	-	-	-	-	19,535,100	
-	-	-	-	-	-	12,000,000	
(323,798)	-	2,420,330	(2,443,503)	(242,826)	-	-	
-	(20)	-	-	-	-	(1,458,169)	
-	-	-	-	4,065,901	-	4,065,901	
-	(4,312,721)	-	-	(828,534)	-	(6,261,332)	
62,528	-	-	-	-	-	62,528	
<u>8,984,930</u>	<u>(4,312,741)</u>	<u>2,420,330</u>	<u>(2,443,503)</u>	<u>2,994,541</u>		<u>27,944,028</u>	
(753,641)	-	9,705	284,013	2,283,790		696,016	
<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>\$ 2,445,246</u>	<u>\$ -</u>	<u>\$ 2,457,986</u>	<u>\$ 3,986,002</u>	<u>\$ 9,873,200</u>		<u>\$ 39,994,409</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, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2012**

**Net Changes in Fund Balances - Total Governmental Funds**  
**(Statement of Revenues, Expenditures, and Changes in Fund Balances)** **\$ 696,016**

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

In the Statement of Activities, certain operating expenses - compensated absences (sick and annual leave) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The decrease in the liabilities for the fiscal year was: 125,121

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: 1,789,662

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrued, regardless of when it is due. The additional interest reported in the Statement of Activities is the net result of two factors: accrued interest on bonds and notes payable. The decrease in the liability for the fiscal year was: 247,230

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

Capital outlay	3,266,178
Depreciation expense	<u>(5,556,504)</u>

Excess of depreciation expense over capital outlay (2,290,326)

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: (407,199)

**Change in net assets of governmental activities (Statement of Activities)** **\$ 160,504**

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, 2012**

	<b>GENERAL FUND - TOTAL</b>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ 10,288,900	\$ 10,288,900	\$ 10,288,900	\$ -
Special	-	-	-	-
Other state funds	29,600	29,600	31,671	2,071
Federal funds	21,493,900	25,187,500	15,205,657	(9,981,843)
Other	-	-	220	220
Other financing sources	840,900	1,015,900	754,277	(261,623)
Fund balance rebudgeted	150,000	317,500	-	(317,500)
<b>TOTAL REVENUES</b>	<b><u>\$ 32,803,300</u></b>	<b><u>\$ 36,839,400</u></b>	<b>26,280,725</b>	<b><u>\$ (10,558,675)</u></b>
<b>EXPENDITURES:</b>				
Personal services and benefits	\$ 14,503,100	\$ 14,613,000	13,733,540	\$ 879,460
Contractual services	6,138,700	10,251,300	5,409,729	4,841,571
Other costs	10,654,300	10,491,500	6,176,393	4,315,107
Other financing uses	1,507,200	1,483,600	1,128,079	355,521
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 32,803,300</u></b>	<b><u>\$ 36,839,400</u></b>	<b><u>26,447,741</u></b>	<b><u>\$ 10,391,659</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			(167,016)	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(17,418)	
Timing difference related to accounts payable			(9,017)	
<b>GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<b><u>\$ (193,451)</u></b>	



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, 2012

<b>EMERGENCY FIRE DISASTER FUND</b>				
	<u>Budgeted Amounts</u>		<b>Actual</b>	<b>Variance From</b>
	<u>Original</u>	<u>Final</u>	<b>Amounts</b>	<b>Final Budget</b>
			<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>				
State General Fund appropriation:				
Executive orders	\$ -	\$ 12,000,000	\$ 12,000,000	\$ -
Federal funds	-	-	9,489,007	9,489,007
Other	-	-	787	787
Cash balance rebudgeted	<u>17,625,086</u>	<u>17,625,086</u>	<u>-</u>	<u>(17,625,086)</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 17,625,086</u></b>	<b><u>\$ 29,625,086</u></b>	<b>21,489,794</b>	<b><u>\$ (8,135,292)</u></b>
<b>EXPENDITURES:</b>				
Personal services and benefits	\$ 46,000	\$ 1,206,000	1,155,358	\$ 50,642
Contractual Services	-	-	-	-
Other costs	17,555,537	28,220,537	18,555,050	9,665,487
Other financing uses	<u>23,549</u>	<u>198,549</u>	<u>144,756</u>	<u>53,793</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 17,625,086</u></b>	<b><u>\$ 29,625,086</u></b>	<b><u>19,855,164</u></b>	<b><u>\$ 9,769,922</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			1,634,630	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(1,440,731)	
Timing difference related to accounts payable			<u>(1,135,301)</u>	
<b>GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<b><u>\$ (941,402)</u></b>	

**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, 2012**

<b>ABANDONED MINE RECLAMATION</b>				
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance From</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ -	\$ -	\$ -	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	-	-	-	-
Interest Income	-	-	7,002	7,002
Other financing sources	-	-	-	-
Cash balance rebudgeted	-	-	-	-
	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>7,002</b>	<b>\$ 7,002</b>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual Services	-	-	-	-
Other costs	-	-	-	-
Other financing uses	-	-	-	-
	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<b>\$ 7,002</b>	

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, 2012

	STATE PARKS			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ 9,246,200	\$ 9,246,200	\$ 9,246,200	\$ -
Special	-	-	-	-
Motor vehicle excise tax	545,000	545,000	452,915	(92,085)
Other state funds	5,076,800	5,076,800	5,157,252	80,452
Federal funds	5,642,100	5,642,100	2,344,533	(3,297,567)
Other financing sources	-	-	500	500
Other	152,300	152,300	67,233	(85,067)
Cash balance rebudgeted	<u>2,354,900</u>	<u>2,354,900</u>	<u>-</u>	<u>(2,354,900)</u>
<b>TOTAL REVENUES</b>	<u>\$ 23,017,300</u>	<u>\$ 23,017,300</u>	17,268,633	<u>\$ (5,748,667)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 12,819,600	\$ 12,819,600	11,895,892	\$ 923,708
Contractual Services	3,284,100	3,312,500	1,010,436	2,302,064
Other costs	6,382,000	6,353,600	4,797,092	1,556,508
Other financing uses	<u>531,600</u>	<u>531,600</u>	<u>324,297</u>	<u>207,303</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 23,017,300</u>	<u>\$ 23,017,300</u>	<u>18,027,717</u>	<u>\$ 4,989,583</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			(759,084)	
<b>GAAP BASIS RECONCILIATION</b>				
Timing differences related to accounts payable			<u>5,443</u>	
<b>GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ (753,641)</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, 2012

	<u>AMERICAN REINVESTMENT &amp; RECOVERY ACT (ARRA)</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ -	\$ -	\$ -	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	19,059,600	20,071,000	13,224,528	(6,846,472)
Other	-	-	20	20
Other financing sources	-	-	-	-
Cash balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 19,059,600</u>	<u>\$ 20,071,000</u>	13,224,548	<u>\$ (6,846,452)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 2,240,150	\$ 1,275,150	839,630	\$ 435,520
Contractual Services	10,523,750	11,727,300	6,101,253	5,626,047
Other costs	2,583,100	3,322,550	2,164,015	1,158,535
Other financing uses	3,712,600	3,746,000	3,853,302	(107,302)
<b>TOTAL EXPENDITURES</b>	<u>\$ 19,059,600</u>	<u>\$ 20,071,000</u>	<u>12,958,200</u>	<u>\$ 7,112,800</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			266,348	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(20)	
Timing differences related to accounts payable			<u>(266,328)</u>	
<b>GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<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, 2012**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Investments in State General Fund Investment Pool	\$ 142,340
Due from other funds	36,129
Interest receivable	4
Due from other state agencies	<u>130,042</u>
<b>TOTAL ASSETS</b>	<u>\$ 308,515</u>
<b>LIABILITIES</b>	
Accounts payable	\$ -
Due to other funds	125,545
Due to other state agencies	36,129
Due to state general fund	125,545
Deposits held in custody for others	<u>21,296</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 308,515</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, 2012**

**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, 2012**

**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, 2012**

**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, 2012

**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, 2012**

**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, 2012**

**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, 2012**

**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, 2012**

**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,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**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, 2012 was \$705,091.

**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,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**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,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**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, 2012, 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,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**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 Note 20 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 – STATE GENERAL FUND INVESTMENT POOL NOT RECONCILED**

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

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

As of June 30, 2012, the State General Fund Investment Pool has not been reconciled at the business unit/fund level. Essentially, independent, third-party verification/confirmation of the Department's balances at the business unit/fund level is not possible. Under the direction of the State Controller/Financial Control Division Director, the Financial Control Division of the New Mexico Department of Finance & Administration (DFA/FCD) is taking aggressive action to resolve this serious problem. DFA/FCD has commenced the Cash Management Remediation Project (Remediation Project) in partnership with the New Mexico State Treasurer's Office, the New Mexico Department of Information Technology, and a contracted third party PeopleSoft Treasury expert.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 4 – STATE GENERAL FUND INVESTMENT POOL NOT RECONCILED (CONTINUED)**

The purpose of the Remediation Project is to design and implement the changes necessary to reconcile the General Fund Investment Pool in a manner that is complete, accurate, and timely. The Remediation Project will make changes to the State's current SHARE system configuration, cash accounting policies and procedures, business practices and banking structure. The scheduled implementation date for the changes associated with the Remediation Project is February 1, 2013. An approach and plan to address the population of historical reconciling items will be developed during the Remediation Project, but a separate initiative will be undertaken to resolve the historical reconciling items. Per section 6-5-2.1 (J) NMSA 1978, it is the DFA's responsibility to complete, on a monthly basis, a reconciliation with the balances and accounts kept by the State Treasurer and adopt and promulgate rules regarding reconciliation for state agencies.

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

Amounts held by the Department are verified through periodic SHARE queries and reconciliations by fund. This process had been in place prior to the implementation of SHARE and it will continue at least monthly for the Department.

**NOTE 5 - INTEREST IN THE STATE GENERAL FUND INVESTMENT POOL**

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

At June 30, 2012 the Department had the following invested in the State General Fund Investment Pool:

State General Fund Investment Pool: \$32,672,712

**Interest Rate Risk**

The New Mexico State Treasurer's Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is a means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

**Credit Risk**

The New Mexico State Treasurer pools are not rated. For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer's Office for the fiscal year ended June 30, 2012.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 6 - 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, 2012.

Account Name	Account Number	Type	Balances June 30, 2012
<b>General Fund:</b>			
Operating Fund	199-521	State Treasury Account	\$ -
Petty cash	N/A	Petty cash accounts	2,351
Bank accounts (see Schedule 2)	Various	Various banks	644
<b>Special Revenue Funds:</b>			
State Parks	2001-521	State Treasury Account	1,980,653
Motor Boat Fuel Tax Fund	309-521	State Treasury Account	123,181
Emergency Fire Disaster Fund	213-521	State Treasury Account	10,162,991
Oil Reclamation Fund	311-521	State Treasury Account	7,647,316
Conservation Planting Revolving Fund	321-521	State Treasury Account	78,402
Forest Land Protection Fund	322-521	State Treasury Account	1,321
Natural Lands Protection Fund	200-521	State Treasury Account	-
Petroleum Violation Escrow Funds – Stripper Well	316-521	State Treasury Account	11,951
Surface Mining Permit Fees	319-521	State Treasury Account	69,496
Surface Mining Penalty Fund	320-521	State Treasury Account	4,985
Abandoned Mine Reclamation Fund	656-521	State Treasury Account	4,696,998
NM Mining Act Fund	566-521	State Treasury Account	382,705
NM Youth Conservation Corps	014-522	State Treasury Account	3,050,578
NM Mining Act Penalty Fund	731-521	State Treasury Account	28,516
Energy Efficiency Assessment Fund	2015-521	State Treasury Account	134,216
Inmate Workcamp Fund	956-521	State Treasury Account	276,375
ARRA Fund	890-521	State Treasury Account	-
Bank Accounts (see schedule 2)	Various	Various	115,218
Petty Cash	N/A	Petty Cash Accounts	17,200

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 6 - CASH DEPOSIT ACCOUNTS AND INVESTMENTS (CONTINUED)**

Account Name	Account Number	Type	Balances June 30, 2012
Capital Projects Funds:			
Capital Projects GGRT	646-521	State Treasury Account	3,872,305
GF/STB	509-521	State Treasury Account	132,843
Debt Service Funds:			
Debt Service	300-521	State Treasury Account	17,880
NM Finance Authority	N/A	Bank Accounts - Reserve	179,444
Bonds 1995 & 1995A	N/A	Bank Accounts - Reserve	528,247
Bonds 1995B issuance	N/A	Bank Accounts - Reserve	26,057
Bonds 1996B issuance	N/A	Bank Accounts - Reserve	29,741
Bonds 1997A & 1997B issuance	N/A	Bank Accounts - Reserve	354,451
Bonds 1998A & 1998B issuance	N/A	Bank Accounts - Reserve	365,892
Bonds 2000A & 2000B issuance	N/A	Bank Accounts - Reserve	371,140
Bonds 2003	N/A	Bank Accounts - Reserve	500,510
Bonds 2010	N/A	Bank Accounts - Reserve	<u>84,624</u>
Governmental funds cash and cash equivalents			35,248,231
Agency Funds:			
Boat Suspense Fund	773-521	State Treasury Account	121,048
Soil and Water Equipment Fund	775-521	State Treasury Account	-
Oil Disposition Holding Fund	891-521	State Treasury Account	21,292
Renewable Energy Transmission Fund	1029-521	State Treasury Account	<u>-</u>
Agency Funds cash			<u>142,340</u>
Total cash and cash equivalents			<u>\$ 35,390,571</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, 2012 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 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.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 6 - CASH DEPOSIT ACCOUNTS AND INVESTMENTS (CONTINUED)**

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 \$16,242,313.

**NOTE 7 - CAPITAL ASSETS**

A summary of changes in capital assets follows:

Governmental-type Activities	Balance, June 30, 2011	Balance, June 30, 2011 Restated	Additions	Deletions	Adjust./ Reclass.	Balance, June 30, 2012
Buildings and improvements	\$ 73,693,469	\$ 73,693,469	\$ 1,029,776	\$ (595,722)	\$ 1,877,819	\$ 76,005,342
Data processing equipment	656,202	656,202	201,310	-	2,000	859,512
Equipment and machinery	13,769,343	13,769,343	187,863	(128,848)	-	13,828,358
Furniture and fixtures	510,147	510,147	-	-	-	510,147
Land improvements	27,534,996	27,534,996	121,684	-	-	27,656,680
Vehicles and automotive	8,034,966	8,034,966	354,215	(525,511)	-	7,863,670
Intangibles	-	-	21,000	-	-	21,000
<b>Total</b>	<b>124,199,123</b>	<b>124,199,123</b>	<b>1,915,848</b>	<b>(1,250,081)</b>	<b>1,879,819</b>	<b>126,744,709</b>
Accumulated depreciation:						
Buildings and improvements	(32,979,619)	(32,979,619)	(2,702,495)	239,686	-	(35,442,428)
Data processing equipment	(358,406)	(358,406)	(126,596)	-	583	(484,419)
Equipment and machinery	(9,564,987)	(9,564,987)	(920,592)	127,065	-	(10,358,514)
Furniture and fixtures	(437,085)	(437,085)	(17,791)	-	-	(454,876)
Land improvements	(16,167,563)	(16,167,563)	(1,044,454)	-	-	(17,212,017)
Vehicles and automotive	(6,318,935)	(6,318,935)	(744,576)	518,763	-	(6,544,748)
Intangibles	-	-	-	-	(583)	(583)
<b>Total accumulated depreciation</b>	<b>(65,826,595)</b>	<b>(65,826,595)</b>	<b>(5,556,504)</b>	<b>885,514</b>	<b>-</b>	<b>(70,497,585)</b>
Assets not being depreciated:						
Projects in Progress	2,942,171	2,942,171	718,530	(42,632)	(1,879,819)	1,738,250
Library and museum acquisitions	556,231	556,231	-	-	-	556,231
Land	12,564,170	12,564,170	-	-	(4,317,265)	8,246,905
Intangibles - Easements	-	3,220,253	631,800	-	4,317,265	8,169,318
<b>Total</b>	<b>16,062,572</b>	<b>19,282,825</b>	<b>1,350,330</b>	<b>(42,632)</b>	<b>(1,879,819)</b>	<b>18,710,704</b>
<b>Net total</b>	<b>\$ 74,435,100</b>	<b>\$ 77,655,353</b>	<b>\$(2,290,326)</b>	<b>\$ (407,199)</b>	<b>\$ -</b>	<b>\$ 74,957,828</b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to governmental function as follows:

Renewable Energy Program	\$ 2,306,876
Healthy Forests Program	23,816
State Parks Program	1,329,169
Mine Reclamation Program	46,592
Oil & Gas Conservation Program	197,655
Program Support	-
Conservation	230,863
Fire Disasters	<u>1,421,533</u>
<b>Total</b>	<b><u>\$ 5,556,504</u></b>

**NOTE 8 – 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 \$1,045,582 was paid to the State General Fund during the year. Of the total reversion expense, \$412,588 is payable at June 30, 2012 and due by September 30, 2012. This payable may be adjusted within 45 days of the release of this audit by the New Mexico Office of the State Auditor.

	<u>Reversion Amount</u>	<u>Fiscal Year of Appropriation or Collection</u>
General Fund Appropriation	\$ 17,418	2012
American Reinvestment and Recovery Act	20	2012
Special Revenue Fund – Emergency Fire Disaster	1,045,237	2011
Special Revenue Fund – Emergency Fire Disaster	<u>395,494</u>	2012
<b>Total</b>	<b><u>\$ 1,458,169</u></b>	

Of these reversion amounts due to the State General Fund for the year ended June 30, 2012, \$412,588 was paid in September 2012. The current year reversions due to the State General Fund as of June 30, 2012 were as follows:

General Fund	\$ 17,094
Special Revenue Fund – Emergency Fire Disaster	<u>395,494</u>
<b>Total Governmental Funds</b>	<b><u>\$ 412,588</u></b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 9 - LONG-TERM DEBT**

The changes to long-term debt are as follows:

	<u>Balance,</u> <u>June 30, 2011</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance,</u> <u>June 30, 2012</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Compensated absences	\$ 1,918,404	\$ 1,331,784	\$ (1,456,905)	\$ 1,793,283	\$ 1,437,198
Federal loan proceeds	1,031,373	-	(51,792)	979,581	-
Bonds issued, 1995A & 1995B	82,982	-	(19,835)	63,147	20,430
Bonds issued, 1996A & 1996B	120,053	-	(22,612)	97,441	23,291
Bonds issued, 1997A & 1997B	1,921,744	-	(281,551)	1,640,193	297,348
Bonds issued, 1998A & 1998B	2,290,783	-	(282,508)	2,008,275	298,334
Bonds issued, 2001	2,665,261	-	(246,721)	2,418,540	257,404
Bonds issued, 1995A & 1996A	2,180,000	-	(443,000)	1,737,000	469,000
Bonds issued, 2003	5,038,734	-	(341,143)	4,697,591	352,190
Bonds issued, 2010 equipment	<u>742,147</u>	<u>-</u>	<u>(100,500)</u>	<u>641,647</u>	<u>100,500</u>
Net total	<u>\$ 17,991,481</u>	<u>\$ 1,331,784</u>	<u>\$ (3,246,567)</u>	<u>\$ 16,076,698</u>	<u>\$ 3,255,695</u>

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

There is a long-term obligation of \$979,581 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. Due to budget constraints, repayment has been deferred until 2015.

The terms of repayment as of June 30, 2012, are as follows:

<u>Principal</u> <u>Balance</u>	<u>Interest</u> <u>Rate</u>
\$ 860,160	5.116%
<u>119,421</u>	9.92%
<u>\$ 979,581</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

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 \$17,681 due to a credit.

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>
2013	\$ (55,852)	\$ 55,852	\$ -
2014	(59,279)	59,279	-
2015	30,207	62,937	93,144
2016	32,485	60,659	93,144
2017	34,952	58,192	93,144
2018 – 2022	190,101	246,060	436,161
2023 – 2027	123,508	194,414	317,922
2028 – 2032	158,503	159,419	317,922
2033 – 2037	203,415	114,508	317,923
2038 – 2042	261,051	56,871	317,922
2043	60,490	3,095	63,585
<b>Total</b>	<u>\$ 979,581</u>	<u>\$ 1,071,286</u>	<u>\$ 2,050,867</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 \$2,282. The current portion of long-term debt is \$20,430.

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:			
2013	\$ 20,430	\$ 1,737	\$ 22,167
2014	21,043	1,175	22,218
2015	21,674	596	22,270
<b>Total</b>	<u>\$ 63,147</u>	<u>\$ 3,508</u>	<u>\$ 66,655</u>



**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

During the 1997 fiscal year, Parks and Recreation Division issued series 1996A and 1996B Series bonds. These bonds were issued in accordance with 16-2-21 NMSA 1978, "State Park and Recreation Bond Act". These bonds were issued to provide for the acquiring, developing, operating and maintaining of state parks and recreation areas. Series 1996A was issued for \$3,510,000 and Series 1996B for \$390,000, with issuance costs of \$75,250. The 1996A bond series were paid off in the prior year with the 1995/1996 Series A bond issue. Parks and Recreation Division's share of governmental gross receipts tax is pledged to repay these bonds. Interest rates on the 1996 series bonds vary from 3 to 6%. The issuances require a reserve of \$296,100 to be maintained in the debt service fund. Interest expense for the current fiscal year was \$3,302. The current portion of long-term debt is \$23,291.

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:			
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>
<b>Total</b>	<u>\$ 97,441</u>	<u>\$ 6,798</u>	<u>\$ 104,239</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 \$101,378. The current portion of long-term debt is \$297,348.

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:			
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>
<b>Total A Series</b>	<u>1,495,000</u>	<u>258,425</u>	<u>1,753,425</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series B:			
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>145,193</u>	<u>12,214</u>	<u>157,407</u>
<b>Grand Total</b>	<b><u>\$ 1,640,193</u></b>	<b><u>\$ 270,639</u></b>	<b><u>\$ 1,910,832</u></b>

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 \$112,786. The current portion of long-term debt is \$298,334.

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:			
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	325,000	35,013	360,013
2018	<u>345,000</u>	<u>18,113</u>	<u>363,113</u>
Total A Series	<u>1,825,000</u>	<u>345,429</u>	<u>2,170,429</u>
Series B:			
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	31,890	1,780	33,670
2018	<u>32,847</u>	<u>903</u>	<u>33,750</u>
Total B Series	<u>183,275</u>	<u>18,074</u>	<u>201,349</u>
<b>Grand Total</b>	<b><u>\$ 2,008,275</u></b>	<b><u>\$ 363,503</u></b>	<b><u>\$ 2,371,778</u></b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

During the 2001 fiscal year, Parks and Recreation Division issued series 2001 Series bonds. These bonds were issued in accordance with 16-2-21 NMSA 1978, "State Park and Recreation Bond Act". These bonds were issued to provide for the acquiring, developing, operating and maintaining of state parks and recreation areas. The 2001 Series was issued for \$4,825,403 with issuance costs of \$82,032. Parks and Recreation Division's share of governmental gross receipts tax is pledged to repay these bonds. Interest rate on the 2001 series bonds is 4.7%. The issuances require a reserve of \$369,501 to be maintained in the debt service fund. Interest expense for the current fiscal year was \$122,779. The current portion of long-term debt is \$257,404.

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:			
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	307,165	62,335	369,500
2018 - 2020	<u>1,010,710</u>	<u>97,791</u>	<u>1,108,501</u>
<b>Total</b>	<b><u>\$ 2,418,540</u></b>	<b><u>\$ 537,461</u></b>	<b><u>\$ 2,956,001</u></b>

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 \$101,852. The current portion of long-term debt is \$469,000.

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:			
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>
<b>Total</b>	<b><u>\$ 1,737,000</u></b>	<b><u>\$ 185,176</u></b>	<b><u>\$ 1,922,176</u></b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

During the 2004 fiscal year, Parks and Recreation Division issued series 2003 Series bonds. These bonds were issued in accordance with 16-2-21 NMSA 1978, "State Park and Recreation Bond Act". These bonds were issued to provide for the acquiring, developing, operating and maintaining of state parks and recreation areas. The 2003 Series was issued for \$7,338,915 with issuance costs of \$82,032. Parks and Recreation Division's share of governmental gross receipts tax is pledged to repay these bonds. Interest rate on the 2003 Series bonds is 3.823%. The issuances require a reserve of \$541,514 to be maintained in the debt service fund. Interest expense for the current fiscal year was \$187,331. The current portion of long-term debt is \$352,190.

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:			
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	405,535	127,662	533,197
2018 – 2022	2,289,902	392,790	2,682,692
2023	<u>518,543</u>	<u>21,675</u>	<u>540,218</u>
<b>Total</b>	<u>\$ 4,697,591</u>	<u>\$ 1,181,527</u>	<u>\$ 5,879,118</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:			
2013	\$ 100,500	\$ 13,916	\$ 114,416
2014	100,500	12,509	113,009
2015	100,500	10,750	111,250
2016	340,147	8,640	348,787
2017	-	-	-
2018 and thereafter	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 641,647</u>	<u>\$ 45,815</u>	<u>\$ 687,462</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 10 - DUE FROM AND DUE TO OTHER FUNDS**

Due from and to other funds as of June 30, 2012, are as follows:

<b>Amount Due From Other Funds</b>			<b>Amount Due To Other Funds</b>		
<b>Fund Name</b>	<b>Fund No.</b>	<b>Amount</b>	<b>Fund Name</b>	<b>Fund No.</b>	<b>Amount</b>
Governmental funds:			Governmental funds:		
General Fund	19900	\$ 130,593	General Fund	19900	1,487,103
State Parks	20010	125,545	State Parks	20010	94,126
Emergency Fire/ Insect & Disaster	21300	2,047,954	Emergency Fire/ Insect & Disaster	21300	55,747
Inmate Work Camp	95600	<u>17,500</u>	Oil Reclamation Fund Conservation	31100	12,469
			Planting Revolving	32100	341
			Capital Projects/GGRT	64600	7,523
			Mining Act Fund	56600	12,810
			ARRA	89000	368,960
			STB Capital Outlay	89200	192,650
			Inmate Work Camp	95600	<u>447</u>
<b>Total governmental funds</b>		<b>2,321,592</b>	<b>Total governmental funds</b>		<b>2,232,176</b>
Fiduciary funds:			Fiduciary funds:		
GGRT Suspense Fund	77400	<u>36,129</u>	Boat Suspense Fund	77300	<u>125,545</u>
<b>Total Due From</b>		<b><u>\$ 2,357,721</u></b>	<b>Total Due To</b>		<b><u>\$ 2,357,721</u></b>

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

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 11 - DUE FROM AND DUE TO OTHER STATE AGENCIES**

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

<b>Due To Other State Agencies</b>	<b>Fund No.</b>	<b>Amount</b>	<b>Due To Agency/Fund</b>	<b>Fund No.</b>	<b>Amount</b>
Governmental Funds:			Governmental Funds:		
General Fund	19900	\$ 618,540	Dept. of Transportation	20100	\$ 63
			Dept. of Health (WIPP)	06104	64,604
			Dept. of Public Safety (WIPP)	12804	202,977
			Public Regulation Commission (WIPP)	55000	181,315
			Dept. Of Homeland Sec. & Emerg. Mgt. (WIPP)	20054	113,167
			Environment Dept. (WIPP)	06400	39,320
			Dept. of Finance & Admin.	85300	17,094
Emergency Fire/Insect & Disaster	21300	426,247	Dept. of Finance & Admin. Corrections Dept.	85400 90700	395,615 30,632
ARRA Fund	89000	835,705	General Services Dept.	89000	835,705
Capital Projects – STB	89200	<u>395,291</u>	Environment Dept.	89200	<u>395,291</u>
<b>Total Governmental Funds</b>		<b><u>2,275,783</u></b>	<b>Total Governmental Funds</b>		<b><u>2,275,783</u></b>
Agency Funds:			Agency Funds:		
Boat Suspense Fund	77300	125,545	Dept. of Finance & Admin.	85300	125,545
GGRT Suspense Fund	77400	<u>36,129</u>	Taxation & Revenue Dept.	70700	<u>36,129</u>
<b>Total Agency Funds</b>		<b><u>161,674</u></b>	<b>Total Agency Funds</b>		<b><u>161,674</u></b>
<b>Total All Funds</b>		<b><u>\$2,437,457</u></b>	<b>Total All Funds</b>		<b><u>\$2,437,457</u></b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 11 - DUE FROM AND DUE TO OTHER STATE AGENCIES (CONTINUED)**

<b>Due From Other State Agencies</b>	<b>Fund No.</b>	<b>Amount</b>	<b>Due From Agency/Fund</b>	<b>Fund No.</b>	<b>Amount</b>
Governmental Funds:			Governmental Funds:		
General Fund	19900	\$ 38,261	Environment Dept.	34100	\$ 38,174
			General Services Dept.	75200	87
State Parks	20010	408,180	State Engineer's Office	32500	35,223
			Taxation & Revenue Dept	81900	282
			Taxation & Revenue Dept	82500	55,274
			Taxation & Revenue Dept	82800	2,401
			Game & Fish	19800	315,000
Motor Boat Fuel Tax Fund	30900	15,737	Taxation & Revenue Dept	82800	15,737
Oil Reclamation Fund	31100	399,313	Taxation & Revenue Dept	83300	399,313
Petroleum Violation Escrow Fund	31600	2	State Treasurer's Office	80100	2
Conservation Planting	32100	122	Taxation & Revenue Dept	81900	122
Capital Projects-GF/STB	50900	48,976	Dept. of Finance & Admin	10740	5,092
			Dept. of Finance & Admin	60900	23,777
			Dept. of Finance & Admin	96850	20,107
Capital Projects – GGRT	64600	372,000	Taxation & Revenue Dept	83200	372,000
Abandoned Mine Reclamation Fund	65600	964	State Treasurer's Office	80100	964
STB Capital Projects	89200	<u>1,263,796</u>	Dept. of Finance & Admin	10730	77,150
			Dept. of Finance & Admin	10740	16,654
			Dept. of Finance & Admin	11350	79,301
			Dept. of Finance & Admin	96850	965,691
			Environment Dept.	89200	<u>125,000</u>
<b>Total Governmental Funds</b>		<b><u>2,547,351</u></b>			<b><u>2,547,351</u></b>
Agency Funds:					
Boat Suspense Fund	77300	130,042	Taxation & Revenue Dept	82500	130,042
Oil Disposition Holding Fund	89100	<u>4</u>	State Treasurer's Office	80100	<u>4</u>
<b>Total Agency Funds</b>		<b><u>130,046</u></b>			<b><u>130,046</u></b>
<b>Total All Funds</b>		<b><u>\$2,677,397</u></b>			<b><u>\$2,677,397</u></b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 12 - TRANSFERS**

Interagency and interfund transfers as of June 30, 2012 were as follows:

**A - Intra-agency Transfers**

<u>Agency/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
19900 General Fund	\$ 735,228	\$ (675)	\$ 734,553
20010 State Parks	500	(324,298)	(323,798)
21300 Emergency Fire Disaster	-	(144,756)	(144,756)
30000 Debt Service	2,420,330	-	2,420,330
31100 Oil Reclamation	-	(36,219)	(36,219)
56600 NM Mining Act	-	(48,210)	(48,210)
64600 Cap Projects - GGRT	-	(2,443,503)	(2,443,503)
95600 Inmate Work Camp	-	(8,397)	(8,397)
14000 Youth Conservation Corps	-	(150,000)	(150,000)
<b>Total</b>	<b><u>\$ 3,156,058</u></b>	<b><u>\$ (3,156,058)</u></b>	<b><u>\$ -</u></b>



**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 12 - TRANSFERS (CONTINUED)**

**B - Inter-agency Transfers**

<u>Agency/Fund</u>		<u>Transfers In</u>	<u>Transfers Out</u>
19900	General Fund - Reg Appropriation	\$ 10,288,900	
85300	Dept. of Finance & Administration		\$ (10,288,900)
19900	General Fund - Reversion		(17,418)
85300	Dept. of Finance & Administration	17,418	
19900	General Fund	19,050	(1,139,127)
06104	Department of Health	107,808	
06400	Environment Department	233,848	
12804	Department of Public Safety	477,590	
20054	Department of Homeland Sec	138,566	
55000	Public Reg Commission	181,315	
34100	Environment Department		(19,050)
21300	Emergency Fire Disaster	12,000,000	(1,440,731)
85300	Dept. of Finance & Administration	1,440,731	(12,000,000)
20010	State Parks	9,561,200	
19800	Game & Fish		(315,000)
85300	Dept. of Finance & Administration		(9,246,200)
50900	Cap Projects - GGRT/STB	1,503,351	
10740	Dept. of Finance & Administration		(841,586)
60900	Dept. of Finance & Administration		(47,184)
60910	Dept. of Finance & Administration		(166,950)
96850	Dept. of Finance & Administration		(447,631)

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 12 - TRANSFERS (CONTINUED)**

**B - Inter-agency Transfers**

<u>Agency/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
89000 ARRA	700	(4,312,741)
85300 Dept. of Finance & Administration	21	
89000 Dept. of Finance & Administration		(700)
89000 Dept. of Info Technology	1,000	
89000 Environment Department	2,727	
89000 General Services Department	4,091,811	
89000 Office of Cultural Affairs	26,567	
89000 Regulation & Licensing Department	190,615	
89200 Cap Projects - STB	2,562,550	(828,533)
89200 Environment Department	478,533	
89200 Office of Cultural Affairs	350,000	
10730 Dept. of Finance & Administration		(77,150)
10740 Dept. of Finance & Administration		(180,845)
11350 Dept. of Finance & Administration		(125,302)
60900 Dept. of Finance & Administration		(11,719)
82100 Dept. of Finance & Administration		(42,534)
89200 Environment Department		(125,000)
96850 Dept. of Finance & Administration	-	(2,000,000)
<b>Total</b>	<b>\$ 43,674,301</b>	<b>\$ (43,674,301)</b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 13 - SPECIAL APPROPRIATIONS AND GOVERNOR'S EXECUTIVE ORDERS**

The Governor issued executive orders during the 2012 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 \$12,000,000 during the 2012 fiscal year. \$144,756 of this was transferred to the general fund for administrative costs, leaving \$11,825,000 in the emergency fire fund.

**NOTE 14 - PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

**Plan Description**

Substantially all of the Department's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

**Funding Policy**

Plan members are required to contribute 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, 2012, 2011 and 2010 were \$2,533,822, \$2,915,451 and \$2,934,685, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 15 - 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.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 15 - 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](http://www.nmrhca.state.nm.us).

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

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 15 - POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN  
(CONTINUED)**

contribute 2.292% of each participating employee's annual salary, and each participating employee was required to contribute 1.146% of their salary. In the fiscal year ending 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>
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, 2012, 2011 and 2010 were \$345,405, \$319,803 and \$259,715, respectively, which equal the required contributions for each year.

**NOTE 16 - 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, 2012 was \$227,887.

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

Years ending June 30:

2013	\$ 208,208
2014	201,616
2015	197,105
2016	194,357
2017	170,407
2018 and thereafter	<u>106,228</u>
<b>Total</b>	<b><u>\$ 1,077,921</u></b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 17 – 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:

2013	\$ 50,835
2014	25,387
2015	11,748
2016	<u>4,125</u>
<b>Total</b>	<b><u>\$ 92,095</u></b>

**NOTE 18 - RESTATEMENT**

The Department recorded the following restatements in the current year:

Net assets:

Net assets, beginning of year	\$ 95,361,469
Restatement – donated easements from prior years were brought to the attention of management	<u>3,220,253</u>
<b>Net assets, beginning of year, restated</b>	<b><u>\$ 98,581,722</u></b>

**NOTE 19 - 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.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 20 - 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, 2012, 2011 and 2010, there were no settlements that exceeded insurance coverage.

**NOTE 21 - FUND BALANCE RESTRICTIONS**

Effective for this fiscal year, GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented in the prior year. 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, 2012 follows:

Fund Name	Restricted	Committed
General Fund		
Oil and Gas Conservation Program	\$ -	\$ 159,381
Emergency Fire Disaster		
Fire Disaster	16,374,632	-
Abandoned Mine Reclamation		
Mine Reclamation Program	4,697,962	-
State Parks		
State Parks Program	-	2,445,246
Debt Service		
Debt Service Activity	2,457,986	-
Capital Projects - GGRT		
Capital Projects Activity	3,986,002	-
Motor Boat Fuel Tax		
State Parks Program	104,188	34,730
Oil Reclamation Fund		
Oil & Gas Conservation Program	6,719,255	-
Conservation Planting Revolving Fund		
Healthy Forests Program	65,498	-
Forest Land Protection		
Healthy Forests Program	1,321	-

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 21 - FUND BALANCE RESTRICTIONS (CONTINUED)**

Fund Name	Restricted	Committed
Petroleum Violation Escrow-Stripper Well		
Renewable Energy Program	11,953	-
Surface Mining Permit Fees		
Mine Reclamation Program	-	59,049
New Mexico Mining Act Penalty		
Mine Reclamation Program	58,056	-
Surface Mining Penalty Fund		
Mine Reclamation Program	4,985	-
New Mexico Mining Act		
Mine Reclamation Program	360,864	-
Inmate Work Camp		
Healthy Forests Program	295,898	-
Energy Efficiency Assessment		
Renewable Energy Program	134,216	-
Youth Conservation Corps		
Conservation	1,852,752	-
Capital Projects Fund - GF/STB		
Capital Projects Activity	170,435	-
<b>Total</b>	<b>\$ 37,296,003</b>	<b>\$ 2,698,406</b>

**NOTE 22 – NEW GASB POUNDNCEMENTS**

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, improves financial reporting by addressing issues related to service concession arrangements. GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, improves reporting for a governmental financial reporting entity by better defining the reporting entity and by addressing reporting issues that have arisen since the issuance of GASB 14 and 34. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, makes current accounting and reporting standards easier to find and understand. All three statements are effective for 2013.

**NOTE 23 – SUBSEQUENT EVENTS**

Management evaluated subsequent events through December 14, 2012, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2012, but prior to December 14, 2012, that provided additional evidence about conditions that existed at June 30, 2012 have been recognized in the financial statements for the year ended June 30, 2012. Events or transactions that provided evidence about conditions that did not exist at June 30, 2012, 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, 2012.

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, 2012**

<b>GENERAL FUND - ENERGY EFFICIENCY (RENEWABLE ENERGY)</b>				
	<u>Budgeted Amounts</u>		<b>Actual</b>	<b>Variance From</b>
	<u>Original</u>	<u>Final</u>	<b>Amounts</b>	<b>Final Budget</b>
			<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ 786,800	\$ 786,800	\$ 786,800	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	191,400	385,000	55,999	(329,001)
Other	-	-	20	20
Other financing sources	-	-	-	-
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 978,200</u>	<u>\$ 1,171,800</u>	842,819	<u>\$ (328,981)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 916,400	\$ 755,300	755,278	\$ 22
Contractual services	3,100	328,100	19,100	309,000
Other costs	58,700	88,400	68,399	20,001
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 978,200</u>	<u>\$ 1,171,800</u>	<u>842,777</u>	<u>\$ 329,023</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			42	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(42)	
Timing difference related to accounts payable			-	
<b>GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<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, 2012

GENERAL FUND - FORESTRY				
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ 2,865,600	\$ 2,865,600	\$ 2,865,600	\$ -
Special	-	-	-	-
Other state funds	29,600	29,600	29,337	(263)
Federal funds	11,935,000	11,935,000	7,120,485	(4,814,515)
Other	-	-	-	-
Other financing sources	-	175,000	144,756	(30,244)
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 14,830,200</u>	<u>\$ 15,005,200</u>	10,160,178	<u>\$ (4,845,022)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 4,028,100	\$ 4,203,100	3,976,118	\$ 226,982
Contractual services	1,300,900	1,530,200	1,060,374	469,826
Other costs	9,501,200	9,271,900	5,112,975	4,158,925
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 14,830,200</u>	<u>\$ 15,005,200</u>	<u>10,149,467</u>	<u>\$ 4,855,733</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			10,711	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(11,268)	
Timing difference related to accounts payable			<u>557</u>	
<b>GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<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, 2012

GENERAL FUND - MINE RECLAMATION PROGRAM				
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ 480,200	\$ 480,200	\$ 480,200	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	6,624,000	10,124,000	5,803,134	(4,320,866)
Other	-	-	40	40
Other financing sources	-	-	-	-
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 7,104,200</u>	<u>\$ 10,604,200</u>	6,283,374	<u>\$ (4,320,826)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 2,269,500	\$ 2,269,500	2,034,304	\$ 235,196
Contractual services	4,595,800	8,095,800	4,102,340	3,993,460
Other costs	238,900	238,900	146,690	92,210
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 7,104,200</u>	<u>\$ 10,604,200</u>	<u>6,283,334</u>	<u>\$ 4,320,866</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			40	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(40)	
Timing difference related to accounts payable			-	
<b>GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<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, 2012**

<b>GENERAL FUND - VOLUNTARY COMPLIANCE (OIL &amp; GAS CONS.)</b>				
	<u>Budgeted Amounts</u>		<b>Actual</b>	<b>Variance From</b>
	<u>Original</u>	<u>Final</u>	<b>Amounts</b>	<b>Final Budget</b>
			<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ 3,549,200	\$ 3,549,200	\$ 3,549,200	\$ -
Special	-	-	-	-
Other state funds	-	-	2,334	2,334
Federal funds	349,500	349,500	335,136	(14,364)
Other	-	-	92	92
Other financing sources	75,000	75,000	19,050	(55,950)
Fund balance rebudgeted	<u>150,000</u>	<u>317,500</u>	<u>-</u>	<u>(317,500)</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 4,123,700</u></b>	<b><u>\$ 4,291,200</u></b>	<b>3,905,812</b>	<b><u>\$ (385,388)</u></b>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 3,394,800	\$ 3,490,800	3,358,589	\$ 132,211
Contractual services	88,300	126,600	124,742	1,858
Other costs	506,800	563,600	520,002	43,598
Other financing uses	<u>133,800</u>	<u>110,200</u>	<u>92,008</u>	<u>18,192</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 4,123,700</u></b>	<b><u>\$ 4,291,200</u></b>	<b><u>4,095,341</u></b>	<b><u>\$ 195,859</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<b>(189,529)</b>	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(5,932)	
Timing difference related to accounts payable			<u>2,010</u>	
<b>GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<b><u>\$ (193,451)</u></b>	

**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, 2012**

<b>GENERAL FUND - PROGRAM SUPPORT</b>				
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ 2,607,100	\$ 2,607,100	\$ 2,607,100	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	2,394,000	2,394,000	1,890,903	(503,097)
Other	-	-	68	68
Other financing sources	765,900	765,900	590,471	(175,429)
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 5,767,000</u>	<u>\$ 5,767,000</u>	5,088,542	<u>\$ (678,458)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 3,894,300	\$ 3,894,300	3,609,251	\$ 285,049
Contractual services	150,600	170,600	103,173	67,427
Other costs	348,700	328,700	328,327	373
Other financing uses	<u>1,373,400</u>	<u>1,373,400</u>	<u>1,036,071</u>	<u>337,329</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,767,000</u>	<u>\$ 5,767,000</u>	<u>5,076,822</u>	<u>\$ 690,178</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			11,720	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(136)	
Timing difference related to accounts payable			<u>(11,584)</u>	
<b>GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<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, 2012**

	<b>DEBT SERVICE FUND</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance From</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts (Budgetary Basis)</b>	<b>Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Bond Proceeds	\$ -	\$ -	\$ -	\$ -
Interest on investments	-	-	9,706	9,706
Other financing sources	2,420,400	2,420,400	2,420,330	(70)
Cash balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<b><u>\$ 2,420,400</u></b>	<b><u>\$ 2,420,400</u></b>	2,430,036	<b><u>\$ 9,636</u></b>
<b>EXPENDITURES</b>				
Other costs	\$ 2,420,400	2,420,400	2,420,331	69
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 2,420,400</u></b>	<b><u>\$ 2,420,400</u></b>	2,420,331	<b><u>\$ 69</u></b>
<b>NON-BUDGETED ITEMS</b>				
Reversions			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<b><u>\$ 9,705</u></b>	

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, 2012**

	<b>EMNRD CAPITAL PROJECTS GGRT</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance From</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
			<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>				
Gross receipts tax	\$ 3,900,000	\$ 4,550,000	\$ 4,897,525	\$ 347,525
Other state funds	-	-	1,638	1,638
Other financing sources	-	-	-	-
Fund balance rebudgeted	481,700	481,700	-	(481,700)
<b>TOTAL REVENUES</b>	<b>\$ 4,381,700</b>	<b>\$ 5,031,700</b>	4,899,163	<b>\$ (132,537)</b>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 250,000	\$ 250,000	243,930	\$ 6,070
Contractual services	200,000	200,000	44,142	155,858
Other costs	1,480,000	2,130,000	1,883,575	246,425
Other financing uses	2,451,700	2,451,700	2,443,503	8,197
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,381,700</b>	<b>\$ 5,031,700</b>	4,615,150	<b>\$ 416,550</b>
<b>NON-BUDGETED ITEMS</b>				
Reversions			-	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<b>\$ 284,013</b>	

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, 2012**

	Special Revenue Funds	Capital Projects Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investment in State Treasurer General Fund Investment Pool	11,809,042	132,843	11,941,885
Receivables:		-	
Due from other funds	17,500	-	17,500
Due from fiduciary fund	-	-	-
Due from other state agencies	415,174	1,312,772	1,727,946
Other receivables	46,111	-	46,111
Federal government	7,800	-	7,800
<b>TOTAL ASSETS</b>	<u>\$ 12,295,627</u>	<u>\$ 1,445,615</u>	<u>\$ 13,741,242</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 2,521,199	\$ 687,239	\$ 3,208,438
Accrued payroll	45,596	-	45,596
Due to other state agencies	-	395,291	395,291
Due to Fiduciary funds	341	-	341
Due to other funds	25,726	192,650	218,376
Total liabilities	2,592,862	1,275,180	3,868,042
<b>FUND BALANCE (DEFICIT)</b>			
Restricted	9,608,986	170,435	9,779,421
Committed	93,779	-	93,779
Total fund balances	<u>9,702,765</u>	<u>170,435</u>	<u>9,873,200</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 12,295,627</u>	<u>\$ 1,445,615</u>	<u>\$ 13,741,242</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, 2012

	Special Revenue Funds	Capital Projects Funds	Total
<b>REVENUES</b>			
Interest	\$ 19	\$ -	\$ 19
Other state funds	1,083,764	-	1,083,764
Federal funds	7,800	-	7,800
Gross receipts tax	3,494,185	-	3,494,185
Conservation taxes	5,162,606	-	5,162,606
Gasoline tax	190,860	-	190,860
Other	117,721	-	117,721
	<u>10,056,955</u>	<u>-</u>	<u>10,056,955</u>
Total revenues			
<b>EXPENDITURES</b>			
Current			
Renewal Energy Program	-	166,950	166,950
Healthy Forests Program	349,245	947,068	1,296,313
State Parks Program	190,000	32,199	222,199
Mine Reclamation Program	667,733	-	667,733
Oil & Gas Conservation Program	2,898,470	-	2,898,470
Program Support	-	-	-
Conservation	3,385,438	-	3,385,438
Capital outlay	30,550	2,100,053	2,130,603
Debt service-principal	-	-	-
Debt service-interest	-	-	-
Debt service-miscellaneous	-	-	-
	<u>7,521,436</u>	<u>3,246,270</u>	<u>10,767,706</u>
<b>TOTAL EXPENDITURES</b>			

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	2,535,519	(3,246,270)	(710,751)
<b>OTHER FINANCING SOURCES (USES)</b>			
Intra-agency transfers, net	(242,826)	-	(242,826)
Inter-agency transfers - reversions	-	-	-
Inter-agency transfers - severance tax	-	4,065,901	4,065,901
Inter-agency transfers - other, net	-	(828,534)	(828,534)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(242,826)</u>	<u>3,237,367</u>	<u>2,994,541</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,292,693	(8,903)	2,283,790
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>7,410,072</u>	<u>179,338</u>	<u>7,589,410</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 9,702,765</u>	<u>\$ 170,435</u>	<u>\$ 9,873,200</u>

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS  
June 30, 2012

	Motor Boat Fuel Tax Fund 30900	Oil Reclamation Fund 31100	Natural Lands Protection Fund 20000	Conservation Planting Revolving Fund 32100
<b>ASSETS</b>				
Investment in State Treasurer				
General Fund Investment Pool	\$ 123,181	\$ 7,647,316	\$ -	\$ 78,402
Receivables:				
Due from other funds	-	-	-	-
Due from fiduciary fund	-	-	-	-
Due from other state agencies	15,737	399,313	-	122
Other	-	-	-	536
Federal government	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 138,918</b>	<b>\$ 8,046,629</b>	<b>\$ -</b>	<b>\$ 79,060</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,297,075	\$ -	\$ 13,221
Accrued payroll	-	17,830	-	-
Due to other state agencies	-	-	-	-
Due to fiduciary fund	-	-	-	341
Due to other funds	-	12,469	-	-
Total liabilities	-	1,327,374	-	13,562
<b>FUND BALANCES</b>				
Restricted	104,188	6,719,255	-	65,498
Committed	34,730	-	-	-
Total fund balances	138,918	6,719,255	-	65,498
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 138,918</b>	<b>\$ 8,046,629</b>	<b>\$ -</b>	<b>\$ 79,060</b>

<b>Forest Land Protection Fund 32200</b>	<b>Petroleum Violation Escrow Funds - Stripper Well 31600</b>	<b>Surface Mining Permit Fees Fund 31900</b>	<b>New Mexico Mining Act Penalty Fund 73100</b>	<b>Surface Mining Penalty Fund 32000</b>	<b>New Mexico Mining Act Fund 56600</b>
\$ 1,321	\$ 11,951	\$ 69,496	\$ 28,516	\$ 4,985	\$ 382,705
-	-	-	-	-	-
-	2	-	-	-	-
-	-	-	29,540	-	14,735
-	-	-	-	-	-
<u>\$ 1,321</u>	<u>\$ 11,953</u>	<u>\$ 69,496</u>	<u>\$ 58,056</u>	<u>\$ 4,985</u>	<u>\$ 397,440</u>
\$ -	\$ -	\$ 10,447	\$ -	\$ -	\$ 1,863
-	-	-	-	-	21,903
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	12,810
-	-	10,447	-	-	36,576
1,321	11,953	-	58,056	4,985	360,864
-	-	59,049	-	-	-
<u>1,321</u>	<u>11,953</u>	<u>59,049</u>	<u>58,056</u>	<u>4,985</u>	<u>360,864</u>
<u>\$ 1,321</u>	<u>\$ 11,953</u>	<u>\$ 69,496</u>	<u>\$ 58,056</u>	<u>\$ 4,985</u>	<u>\$ 397,440</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
June 30, 2012**

	Inmate Work Camp Fund 95600	Energy Efficiency Assessment Fund 20150	Youth Conservation Corps 01400	Total
<b>ASSETS</b>				
Investment in State Treasurer				
General Fund Investment Pool	\$ 276,375	\$ 134,216	\$ 3,050,578	\$ 11,809,042
Receivables:				
Due from other funds	17,500	-	-	17,500
Due from fiduciary fund	-	-	-	-
Due from other state agencies	-	-	-	415,174
Other	1,300	-	-	46,111
Federal government	7,800	-	-	7,800
<b>TOTAL ASSETS</b>	<b>\$ 302,975</b>	<b>\$ 134,216</b>	<b>\$ 3,050,578</b>	<b>\$ 12,295,627</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 6,630	\$ -	\$ 1,191,963	\$ 2,521,199
Accrued payroll	-	-	5,863	45,596
Due to other state agencies	-	-	-	-
Due to fiduciary fund	-	-	-	341
Due to other funds	447	-	-	25,726
Total liabilities	7,077	-	1,197,826	2,592,862
<b>FUND BALANCES</b>				
Restricted	295,898	134,216	1,852,752	9,608,986
Committed	-	-	-	93,779
Total fund balances	295,898	134,216	1,852,752	9,702,765
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 302,975</b>	<b>\$ 134,216</b>	<b>\$ 3,050,578</b>	<b>\$ 12,295,627</b>

**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, 2012**

	Motor Boat Fuel Tax Fund 30900	Oil Reclamation Fund 31100	Natural Lands Protection Fund 20000	Conservation Planting Revolving Fund 32100
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	121,700
Federal funds	-	-	-	-
Gross receipt taxes	-	-	-	-
Conservation taxes	-	5,162,606	-	-
Gasoline tax	190,860	-	-	-
Other	-	85,270	-	19,251
Total revenues	<u>190,860</u>	<u>5,247,876</u>	<u>-</u>	<u>140,951</u>
<b>EXPENDITURES</b>				
Renewal Energy Program	-	-	-	-
Healthy Forests Program	-	-	-	128,654
State Parks Program	190,000	-	-	-
Mine Reclamation Program	-	-	-	-
Oil & Gas Conservation Program	-	2,898,470	-	-
Program Support	-	-	-	-
Conservation	-	-	-	-
Capital Outlay	-	15,050	-	-
Total expenditures	<u>190,000</u>	<u>2,913,520</u>	<u>-</u>	<u>128,654</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	860	2,334,356	-	12,297
<b>OTHER FINANCING SOURCES (USES)</b>				
Intra-agency transfers, net	-	(36,219)	-	-
Inter-agency transfers - reversions	-	-	-	-
Inter-agency transfers - severance tax	-	-	-	-
Inter-agency transfers - other, net	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(36,219)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	860	2,298,137	-	12,297
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>138,058</u>	<u>4,421,118</u>	<u>-</u>	<u>53,201</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 138,918</u>	<u>\$ 6,719,255</u>	<u>\$ -</u>	<u>\$ 65,498</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
\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -
-	-	137,453	42,240	-	612,788
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	36
-	19	137,453	42,240	-	612,824
-	-	-	-	-	-
-	-	-	-	-	-
-	-	115,886	-	-	551,847
-	-	-	-	-	-
-	-	-	-	-	-
-	-	15,500	-	-	-
-	-	131,386	-	-	551,847
-	19	6,067	42,240	-	60,977
-	-	-	-	-	(48,210)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(48,210)
-	19	6,067	42,240	-	12,767
1,321	11,934	52,982	15,816	4,985	348,097
\$ 1,321	\$ 11,953	\$ 59,049	\$ 58,056	\$ 4,985	\$ 360,864



**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, 2012**

	Inmate Work Camp Fund 95600	Energy Efficiency Assessment Fund 20150	Youth Conservation Corps 01400	Total
<b>REVENUES</b>				
Interest	\$ -	\$ -	\$ -	\$ 19
Other state funds	169,583	-	-	1,083,764
Federal funds	7,800	-	-	7,800
Gross receipt taxes	-	-	3,494,185	3,494,185
Conservation taxes	-	-	-	5,162,606
Gasoline tax	-	-	-	190,860
Other	3,098	9,755	311	117,721
	<u>180,481</u>	<u>9,755</u>	<u>3,494,496</u>	<u>10,056,955</u>
Total revenues				
<b>EXPENDITURES</b>				
Renewal Energy Program	-	-	-	-
Healthy Forests Program	220,591	-	-	349,245
State Parks Program	-	-	-	190,000
Mine Reclamation Program	-	-	-	667,733
Oil & Gas Conservation Program	-	-	-	2,898,470
Program Support	-	-	-	-
Conservation	-	-	3,385,438	3,385,438
Capital Outlay	-	-	-	30,550
	<u>220,591</u>	<u>-</u>	<u>3,385,438</u>	<u>7,521,436</u>
Total expenditures				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(40,110)	9,755	109,058	2,535,519
<b>OTHER FINANCING SOURCES (USES)</b>				
Intra-agency transfers, net	(8,397)	-	(150,000)	(242,826)
Inter-agency transfers - reversions	-	-	-	-
Inter-agency transfers - severance tax	-	-	-	-
Inter-agency transfers - other, net	-	-	-	-
	<u>(8,397)</u>	<u>-</u>	<u>(150,000)</u>	<u>(242,826)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>				
<b>NET CHANGE IN FUND BALANCES</b>	(48,507)	9,755	(40,942)	2,292,693
<b>FUND BALANCES, BEGINNING OF YEAR</b>	344,405	124,461	1,893,694	7,410,072
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 295,898</u>	<u>\$ 134,216</u>	<u>\$ 1,852,752</u>	<u>\$ 9,702,765</u>

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
COMBINING BALANCE SHEET -  
NON-MAJOR CAPITAL PROJECTS FUNDS  
June 30, 2012

	Capital Projects - STB 89200	Capital Projects GF/STB Fund 50900	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investment in State Treasurer General Fund Investment Pool	-	132,843	132,843
Receivables:			
Due from other funds	-	-	-
Due from other state agencies	1,263,796	48,976	1,312,772
Other receivables	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 1,263,796</u>	<u>\$ 181,819</u>	<u>\$ 1,445,615</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 675,855	\$ 11,384	\$ 687,239
Accrued payroll	-	-	-
Due to other state agencies	395,291	-	395,291
Due to Fiduciary funds	-	-	-
Due to other funds	192,650	-	192,650
Total liabilities	1,263,796	11,384	1,275,180
<b>FUND BALANCE</b>			
Restricted	-	170,435	170,435
Total fund balances	-	170,435	170,435
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,263,796</u>	<u>\$ 181,819</u>	<u>\$ 1,445,615</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, 2012

	Capital Projects - STB 89200	Capital Projects GF/STB Fund 50900	Total
<b>REVENUES</b>			
Interest	\$ -	\$ -	\$ -
Federal funds	-	-	-
Gross receipts tax	-	-	-
Conservation taxes	-	-	-
Gasoline tax	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-
<b>EXPENDITURES</b>			
Current			
Renewal Energy Program	-	166,950	166,950
Healthy Forests Program	909,652	37,416	947,068
State Parks Program	-	32,199	32,199
Mine Reclamation Program	-	-	-
Oil & Gas Conservation Program	-	-	-
Program Support	-	-	-
Conservation	-	-	-
Capital outlay	824,364	1,275,689	2,100,053
Debt service-principal	-	-	-
Debt service-interest	-	-	-
Debt service-miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENDITURES</b>	<b>1,734,016</b>	<b>1,512,254</b>	<b>3,246,270</b>

	Capital Projects - STB 89200	Capital Projects GF/STB Fund 50900	Total
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,734,016)	(1,512,254)	(3,246,270)
<b>OTHER FINANCING SOURCES (USES)</b>			
Intra-agency transfers, net	-	-	-
Inter-agency transfers - reversions	-	-	-
Inter-agency transfers - severance tax	2,562,550	1,503,351	4,065,901
Inter-agency transfers - other, net	(828,534)	-	(828,534)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,734,016</u>	<u>1,503,351</u>	<u>3,237,367</u>
<b>NET CHANGE IN FUND BALANCES</b>	-	(8,903)	(8,903)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>179,338</u>	<u>179,338</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 170,435</u>	<u>\$ 170,435</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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other state funds	\$ 190,000	\$ 190,000	\$ 190,860	\$ 860
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 190,000</u>	<u>\$ 190,000</u>	190,860	<u>\$ 860</u>
<b>EXPENDITURES</b>				
Other costs	\$ 190,000	\$ 190,000	190,000	\$ -
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 190,000</u>	<u>\$ 190,000</u>	190,000	<u>\$ -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ 860</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other state funds	\$ 2,945,300	\$ 2,945,300	\$ 5,162,606	\$ 2,217,306
Other	-	-	85,270	85,270
Other financing sources	-	-	-	-
Fund balance rebudgeted	<u>1,175,300</u>	<u>1,175,300</u>	<u>-</u>	<u>(1,175,300)</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 4,120,600</u></b>	<b><u>\$ 4,120,600</u></b>	<b>5,247,876</b>	<b><u>\$ 1,127,276</u></b>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 382,000	\$ 382,000	381,253	\$ 747
Contractual services	3,590,700	3,590,700	2,452,133	1,138,567
Other costs	100,400	100,400	80,134	20,266
Other financing uses	<u>47,500</u>	<u>47,500</u>	<u>36,219</u>	<u>11,281</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 4,120,600</u></b>	<b><u>\$ 4,120,600</u></b>	<b><u>2,949,739</u></b>	<b><u>\$ 1,170,861</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<b><u>\$ 2,298,137</u></b>	

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other state funds	\$ -	\$ -	\$ -	\$ -
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>EXPENDITURES</b>				
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ -</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other state funds	\$ 160,000	\$ 160,000	\$ 121,701	\$ (38,299)
Other	18,000	18,000	19,250	1,250
Cash balance rebudgeted	<u>3,700</u>	<u>3,700</u>	<u>-</u>	<u>(3,700)</u>
<b>TOTAL REVENUES</b>	<b>\$ <u>181,700</u></b>	<b>\$ <u>181,700</u></b>	<b>140,951</b>	<b>\$ <u>(40,749)</u></b>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual services	-	-	-	-
Other costs	<u>181,700</u>	<u>181,700</u>	<u>128,654</u>	<u>53,046</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>181,700</u></b>	<b>\$ <u>181,700</u></b>	<b>128,654</b>	<b>\$ <u>53,046</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<b>\$ <u>12,297</u></b>	

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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other state funds	\$ -	\$ -	\$ -	\$ -
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>EXPENDITURES</b>				
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ -	\$ -	\$ 19	\$ 19
Other state funds	-	-	-	-
Federal funds	-	-	-	-
Other	-	-	-	-
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	19	<u>\$ 19</u>
<b>EXPENDITURES</b>				
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ 19</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other state funds	\$ 128,300	\$ 128,300	\$ 137,453	\$ 9,153
Fund balance rebudgeted	<u>6,500</u>	<u>6,500</u>	<u>-</u>	<u>(6,500)</u>
<b>TOTAL REVENUES</b>	<u>\$ 134,800</u>	<u>\$ 134,800</u>	137,453	<u>\$ 2,653</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual services	69,700	69,700	69,700	-
Other costs	65,100	65,100	61,686	3,414
Other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 134,800</u>	<u>\$ 134,800</u>	<u>131,386</u>	<u>\$ 3,414</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ 6,067</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other state funds	\$ -	\$ -	\$ 42,240	\$ 42,240
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	42,240	<u>\$ 42,240</u>
<b>EXPENDITURES</b>				
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ 42,240</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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other state funds	\$ -	\$ -	\$ -	\$ -
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ -</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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other state funds	\$ 674,200	\$ 674,200	\$ 612,788	\$ (61,412)
Other	-	-	36	36
Fund balance rebudgeted	<u>95,600</u>	<u>95,600</u>	<u>-</u>	<u>(95,600)</u>
<b>TOTAL REVENUES</b>	<u>\$ 769,800</u>	<u>\$ 769,800</u>	612,824	<u>\$ (156,976)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 561,400	\$ 561,400	518,482	\$ 42,918
Contractual services	5,800	5,800	-	5,800
Other costs	131,800	131,800	33,365	98,435
Other financing uses	<u>70,800</u>	<u>70,800</u>	<u>48,210</u>	<u>22,590</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 769,800</u>	<u>\$ 769,800</u>	<u>600,057</u>	<u>\$ 169,743</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ 12,767</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, 2012

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other state funds	\$ 230,000	\$ 230,000	\$ 169,583	\$ (60,417)
Federal funds	-	-	7,800	7,800
Other	-	-	3,098	3,098
Fund balance rebudgeted	<u>78,000</u>	<u>78,000</u>	<u>-</u>	<u>(78,000)</u>
<b>TOTAL REVENUES</b>	<u>\$ 308,000</u>	<u>\$ 308,000</u>	180,481	<u>\$ (127,519)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 148,300	\$ 148,300	88,384	\$ 59,916
Contractual services	1,000	1,000	305	695
Other costs	142,800	142,800	131,902	10,898
Other financing uses	<u>15,900</u>	<u>15,900</u>	<u>8,397</u>	<u>7,503</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 308,000</u>	<u>\$ 308,000</u>	<u>228,988</u>	<u>\$ 79,012</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ (48,507)</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, 2012

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
State General Fund appropriation	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	9,755	9,755
Other financing sources	-	-	-	-
Cash balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	9,755	<u>\$ 9,755</u>
<b>EXPENDITURES</b>				
Contractual services	\$ -	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ 9,755</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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>Final Budget</u>
			<u>Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
<b>REVENUES</b>				
Gross receipts tax	\$ 3,074,000	\$ 3,074,000	\$ 3,494,185	\$ 420,185
Other state funds	-	-	311	311
Other financing sources	1,182,500	1,182,500	-	(1,182,500)
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 4,256,500</u>	<u>\$ 4,256,500</u>	3,494,496	<u>\$ (762,004)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 157,600	\$ 157,600	151,857	\$ 5,743
Contractual services	3,900,100	3,802,600	3,156,392	646,208
Other costs	48,800	89,300	80,296	9,004
Other financing uses	150,000	207,000	150,000	57,000
<b>TOTAL EXPENDITURES</b>	<u>\$ 4,256,500</u>	<u>\$ 4,256,500</u>	3,538,545	<u>\$ 717,955</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			(44,049)	
<b>GAAP BASIS RECONCILIATION</b>				
Timing differences related to accounts payable			(3,107)	
<b>GAAP BASIS EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ (40,942)</u>	

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ -	\$ -	\$ -	\$ -
Special	-	-	-	-
Bond proceeds	-	-	-	-
Other financing sources	1,655,020	1,655,020	1,503,351	(151,669)
Fund balance rebudgeted	<u>8,902</u>	<u>8,902</u>	<u>-</u>	<u>(8,902)</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 1,663,922</u></b>	<b><u>\$ 1,663,922</u></b>	<b>1,503,351</b>	<b><u>\$ (160,571)</u></b>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual services	-	-	-	-
Other costs	1,663,922	1,663,922	1,512,254	151,668
Other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 1,663,922</u></b>	<b><u>\$ 1,663,922</u></b>	<b><u>1,512,254</u></b>	<b><u>\$ 151,668</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			<b><u>\$ (8,903)</u></b>	

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
<b>REVENUES</b>				
Gross receipts tax	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Other financing sources	4,329,730	5,254,730	2,562,550	2,692,180
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 4,329,730</u>	<u>\$ 5,254,730</u>	2,562,550	<u>\$ (2,692,180)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual services	-	125,000	125,000	-
Other costs	1,729,869	2,529,869	1,609,016	920,853
Other financing uses	<u>2,599,861</u>	<u>2,599,861</u>	<u>828,534</u>	<u>1,771,327</u>
<b>TOTAL EXPENDITURES</b>	<u>4,329,730</u>	<u>5,254,730</u>	<u>2,562,550</u>	<u>2,692,180</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES AND OTHER FINANCING SOURCES</b>			<u>\$ -</u>	

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, 2012

	<u>2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>2012</u>
<b>PARKS AND RECREATION DIV.</b>				
<b>BOAT SUSPENSE FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 938,637	\$ 817,589	\$ 121,048
Due from other state agencies	<u>162,850</u>	<u>130,042</u>	<u>162,850</u>	<u>130,042</u>
<b>TOTAL ASSETS</b>	<u>\$ 162,850</u>	<u>\$ 1,068,679</u>	<u>\$ 980,439</u>	<u>\$ 251,090</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 81,425	\$ 452,914	\$ 408,794	\$ 125,545
Due to state general fund	<u>81,425</u>	<u>452,914</u>	<u>408,794</u>	<u>125,545</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 162,850</u>	<u>\$ 905,828</u>	<u>\$ 817,588</u>	<u>\$ 251,090</u>
<b>GOVERNMENTAL GROSS</b>				
<b>RECEIPTS TAX SUSPENSE</b>				
<b>FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 199,285	\$ 199,285	\$ -
Due from other funds	<u>36,815</u>	<u>36,130</u>	<u>36,816</u>	<u>36,129</u>
<b>TOTAL ASSETS</b>	<u>\$ 36,815</u>	<u>\$ 235,415</u>	<u>\$ 236,101</u>	<u>\$ 36,129</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 162,469	\$ 162,469	\$ -
Due to other state agencies	<u>36,815</u>	<u>234,729</u>	<u>235,415</u>	<u>36,129</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 36,815</u>	<u>\$ 397,198</u>	<u>\$ 397,884</u>	<u>\$ 36,129</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>2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>2012</u>
<b>OIL DISPOSITION HOLDING FUND</b>				
<b>ASSETS</b>				
Cash	\$ 21,263	\$ 29	\$ -	\$ 21,292
Due from other state agencies	<u>2</u>	<u>4</u>	<u>2</u>	<u>4</u>
<b>TOTAL ASSETS</b>	<u>\$ 21,265</u>	<u>\$ 33</u>	<u>\$ 2</u>	<u>\$ 21,296</u>
<b>LIABILITIES</b>				
Deposits held in custody for others	\$ 21,265	\$ 31	\$ -	\$ 21,296
Due to other state agencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 21,265</u>	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 21,296</u>
<b>RENEWABLE ENERGY TRANSMISSION AUTHORITY</b>				
<b>ASSETS</b>				
Cash	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Due to other state agencies	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL LIABILITIES</b>	<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, 2012**

	<u>2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>2012</u>
<b>TOTAL FIDUCIARY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 21,263	\$ 1,137,951	\$ 1,016,874	\$ 142,340
Due from other funds	36,815	36,130	36,816	36,129
Interest receivable	2	4	2	4
Due from other state agencies	<u>162,850</u>	<u>130,042</u>	<u>162,850</u>	<u>130,042</u>
<b>TOTAL ASSETS</b>	<u>\$ 220,930</u>	<u>\$ 1,304,127</u>	<u>\$ 1,216,542</u>	<u>\$ 308,515</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 162,469	\$ 162,469	\$ -
Due to other funds	81,425	452,914	408,794	125,545
Due to other state agencies	36,815	234,729	235,415	36,129
Due to state general fund	81,425	452,914	408,794	125,545
Deposits held in custody for others	<u>21,265</u>	<u>31</u>	<u>-</u>	<u>21,296</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 220,930</u>	<u>\$ 1,303,057</u>	<u>\$ 1,215,472</u>	<u>\$ 308,515</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 2 - SUPPLEMENTAL SCHEDULE OF BANK ACCOUNTS  
Year Ended June 30, 2012**

<b>Bank Name</b>	<b>Account Title</b>	<b>Account Type</b>	<b>State Treasurer Account Number</b>	<b>Bank Balance</b>
Bank of the Southwest	20010 - State Parks	Checking	N/A	\$ 23,765
1st National Bank of Clayton	20010 - State Parks	Checking	N/A	7,594
Citizens Bank of Clovis	20010 - State Parks	Checking	N/A	6,832
New Mexico State Treasurer	10290 - Agency	State Treasury	1029-521	-
	19900 - General Fund	State Treasury	199-521	4,710,270
	20000 - Special Revenue	State Treasury	2000-521	-
	20010 - Special Revenue	State Treasury	2001-521	1,980,653
	20150 - Special Revenue	State Treasury	2015-521	134,216
	21300 - Special Revenue	State Treasury	213-521	10,162,991
	30000 - Debt Service	State Treasury	300-521	17,880
	30900 - Special Revenue	State Treasury	309-521	123,181
	31000 - Special Revenue	State Treasury	310-521	-
	31100 - Special Revenue	State Treasury	311-521	7,647,316
	31400 - Special Revenue	State Treasury	314-521	-
	31500 - Special Revenue	State Treasury	315-521	-
	31700 - Special Revenue	State Treasury	317-521	-
	31800 - Special Revenue	State Treasury	318-521	-
	31900 - Special Revenue	State Treasury	319-521	69,496
	32000 - Special Revenue	State Treasury	320-521	4,985
	32100 - Special Revenue	State Treasury	321-521	78,402
	50900 - Capital Projects	State Treasury	509-521	132,843
	56600 - Special Revenue	State Treasury	566-521	382,705
	64600 - Capital Projects	State Treasury	646-521	3,872,305
	73100 - Special Revenue	State Treasury	731-521	28,516
	77300 - Agency	State Treasury	773-521	121,048
	77400 - Agency	State Treasury	774-521	-
	77500 - Agency	State Treasury	775-521	-
	89100 - Agency	State Treasury	891-521	21,292
	95600 - Special Revenue	State Treasury	956-521	276,375
	89000 - Special Revenue	State Treasury	890-521	-
	01400 - YCC - Special Revenue	State Treasury	014-522	3,050,578



STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 2 - SUPPLEMENTAL SCHEDULE OF BANK ACCOUNTS (CONTINUED)  
Year Ended June 30, 2012

Bank Name	Account Title	Account Type	State Treasurer Account Number	Bank Balance
Bank of New York - Mellon	30000 - Debt Service	Reserve	N/A	2,260,662
	50900 - Capital Projects	Reserve	N/A	-
NM Finance Authority	30000 - Bond Proceeds	Reserve	N/A	<u>179,444</u>
<b>TOTAL BANK BALANCE OF CASH</b>				<b><u>\$ 35,293,349</u></b>
<b>RECONCILIATION OF BANK BALANCES</b>				
<b>TO CASH REPORTED ON THE</b>				
<b>STATEMENT OF NET ASSETS</b>				
	Outstanding checks			\$ (37,369)
	Deposits in transit			114,387
	Replenishments to be made			654
	Agency funds			(142,340)
	Petty cash on hand			<u>19,550</u>
<b>TOTAL CASH BALANCE ON</b>				
<b>STATEMENT OF NET ASSETS</b>				<b><u>\$ 35,248,231</u></b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 2 - SUPPLEMENTAL SCHEDULE OF BANK ACCOUNTS (CONTINUED)  
Year Ended June 30, 2012**

Agency	Accounts at State Treasurer	BNY Mellon	All Other Banks
Total amount of deposit	\$ 32,815,052	\$ 2,260,662	\$ 217,635
Less FDIC	<u>(250,000)</u>	<u>(250,000)</u>	<u>(217,635)</u>
Total uninsured public money	32,565,052	2,010,662	-
50% collateral requirement (A)	16,282,526	-	-
100% reserve funds with BNY collateral requirement (B)	<u>-</u>	<u>2,050,875</u>	<u>-</u>
Total pledged	<u>(16,282,526)</u>	<u>(2,050,875)</u>	<u>-</u>
<b>OVER (UNDER) PLEDGED</b>	<u>\$ (16,282,526)</u>	<u>\$ 40,213</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, 2012**

Special emergency funds were appropriated due to the wildfires resulting from the dry conditions throughout the state in fiscal year 2012 (see Note 13).

<u>Executive Order</u>	<u>Amount</u>
2012-021	\$ 750,000
2012-020	750,000
2012-019	750,000
2012-017	750,000
2012-012	750,000
2012-005	750,000
2011-074	750,000
2011-073	750,000
2011-072	750,000
2011-069	750,000
2011-068	750,000
2011-067	750,000
2011-066	750,000
2011-065	750,000
2011-064	750,000
2011-060	<u>750,000</u>
Special appropriations for the Fire Disaster Fund as shown on the Statement of Revenues, Expenditures, and Changes in Fund Balance	<u>\$ 12,000,000</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, 2012**

The following is a list of the Department's severance tax bond proceeds for the Capital Projects GF/STB Fund 50900 and STB Fund 89200.

<b>DFA Fund</b>	<b>Project Department</b>	<b>Appr. ID</b>	<b>Chapter</b>	<b>Laws</b>	<b>Section</b>
01900	06-0530	STB06A	111	2006	20/2
60900	08-3065	STB08A-1	92	2008	12/2
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
60900	08-3070	STB08SD	92	2008	13
96850	08-3071	STB08SD	92	2008	13
	09-3001	STB09A	5	2009	2/B/2
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
10730	09-3013	STB09SA	5	2009	2/B/15
96850	09-3013	STB08SD	5	2009	2/B/15
82100	09-3013	STB07SD	5	2009	2/B/15
80300	09-3013	STB06SC	4	2010	36
60900	10-1106	STB08A-1	105	2010	18/A/5
10740	10-1106	STB09A	105	2010	18/A/5
11350	11-1295	STB11A-1	5	2011	9
	12-1333	STB12SA	64	2012	9

Flow-thru from New Mexico Environment Department (09-3013, MMD)

\* This expenditure was recorded in the general fund.

<u>Expiration</u>	<u>Amount Appropriated</u>	<u>Current year Expenditures</u>	<u>Prior years Incurred Balance</u>	<u>Receivable Balance June 30, 2012</u>	<u>Balance June 30, 2012</u>
06/30/13	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -
06/30/12	350,000	-	350,000	-	-
06/30/12	1,000,000	1,681	998,319	-	-
06/30/12	500,000	45,501	454,499	23,778	-
06/30/12	1,867,084	166,950	1,700,134	-	-
06/30/12	1,500,000	-	1,500,000	-	-
06/30/12	390,000	-	390,000	-	-
06/30/12	1,000,000	447,632	552,368	20,105	-
06/30/13	-	-	-	-	-
06/30/12	500,000	265,732	234,268	3,604	-
06/30/12	750,000	1,000	749,000	-	-
06/30/13	1,000,000	574,853	347,420	1,487	77,727
06/30/13	385,000	-	385,000	-	-
06/30/14	2,215,864	77,150	160,646	77,150	1,978,068
06/30/14	2,000,000	2,000,000	-	965,692	-
06/30/14	536,340	42,534	493,806	-	-
06/30/14	247,796	-	247,796	-	-
06/30/14	71,645	11,720	59,925	-	-
06/30/14	220,256	180,845	-	16,654	39,411
06/30/16	500,000	125,303	-	79,302	374,697
06/30/16	300,000	-	-	-	300,000
	<u>125,000</u>	<u>125,000</u> *	<u>-</u>	<u>125,000</u>	<u>-</u>
		<u>\$ 4,065,901</u>	<u>\$ 8,873,181</u>	<u>\$ 1,312,772</u>	<u>\$ 2,769,903</u>

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS  
Year Ended June 30, 2012

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			
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 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
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 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,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	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



STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	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 wildland 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 one 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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	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 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
County of Taos Prevention and fire suppression of forest fires.	EMNRD	11/18/1996	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, 2012

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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 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 provide inmate crews to the DCA 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 NMYCC 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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	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 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,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	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 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 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
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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
Tierra Y Montes SWCD Implement Wildland/Urban Interface Projects on lands managed by the SWCD.	EMNRD	9/28/2004	12/31/9999	\$ 1,825,725	N/A	EMNRD
Town of Bernalillo Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	1/15/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Bernalillo Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	2/28/2006	12/31/9999	\$ -	N/A	EMNRD
Town Of Bernalillo Wildlife fire suppression on lands in or adjacent to the Town of Bernalillo.	EMNRD	2/8/1996	12/31/9999	\$ -	N/A	EMNRD
Town of Carrizozo Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
Town of Carrizozo Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
Town of Clayton Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	5/13/2009	12/31/9999	\$ -	N/A	EMNRD
Town of Elida Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
Town of Elida For wildfire suppression on land adjacent to Elida, NM.	EMNRD	2/5/1993	12/31/9999	\$ -	N/A	EMNRD
Town of Estancia Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	9/2/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Estancia Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	9/22/2006	12/31/9999	\$ -	N/A	EMNRD
Town of Eunice Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	3/20/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Hagerman Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD
Town of Hurley	EMNRD	4/28/2008	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, 2012

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Documents EMNRD's and the Town's commitment to wildland fire suppression.						
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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	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-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 - 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 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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	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 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
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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Village of Taos Ski Valley Provide wildland fire suppression assistance on wildland fire incidents adjacent to the Village of Taos boundaries	EMNRD	7/1/2000	12/31/9999	\$ -	N/A	EMNRD
Village of Tijeras Document EMNRD's and the Village's commitment to wildland fire	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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2012

	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, 2012

	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, 2012

	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, 2012

	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, 2012

	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, 2012**

<b>Federal Agency/ Pass-Through Agency</b>	<b>Federal CFDA Number</b>	<b>Federal Participating Expenditures</b>
U.S. Department of Energy:		
State Energy Program	81.041	\$ 55,999
ARRA - State Energy Program	81.041	7,856,374
Waste Isolation Pilot Project	81.106	1,217,933
ARRA - Energy Assurance Planning	81.122	144,366
ARRA - Energy Efficient Conservation Block Grant	81.128	<u>2,370,889</u>
Total USDE		<u>11,645,561</u>
U.S. Department of Agriculture:		
Forest Service – Cooperative Forestry Assistance	10.664	6,447,655
Forest Service - Watershed Health Plan	10.902	39,599
ARRA - Forest Inventory/Hazardous Fuels	10.688	2,852,898
Forest Service - Watershed Restoration	10.693	26,894
Forest Service - Fire Reimbursement	10.xxx	<u>2,451,650</u>
Total USDA		<u>11,818,696</u>
U.S. Department of Homeland Security:		
U.S. Coast Guard Boating Safety Program	97.012	739,349
Emergency Management Performance	97.042	42,000
Fire Reimbursement	97.xxx	7,592,971
Total USDHS		<u>8,374,320</u>
U.S. Department of Transportation:		
Federal Highway Admin – National Trails Act	20.219	1,045,741
Federal Highway Admin – La Cueva	20.205	<u>2,833</u>
Total US DOT		<u>1,048,574</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
Year Ended June 30, 2012**

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Department of the Interior:		
Emergency Fire	15.xxx	<u>168,402</u>
Office of Surface Mining:		
Administration and Enforcement (Coal)	15.250	850,000
Abandoned Mine Land	15.252	<u>4,999,163</u>
Total Office of Surface Mining		<u>5,849,163</u>
Bureau of Land Management		
Ready Reserve	15.xxx	65,340
Abandoned Mine Program	15.236	<u>251,328</u>
Total Bureau of Land Management		<u>316,668</u>
Bureau of Reclamation:		
Title 28 - Handicap Access	15.BBC	<u>310,150</u>
Total Bureau of Reclamation		<u>310,150</u>
US Fish & Wildlife Service:		
US Fish and Wildlife - Endangered Plants	15.615	43,467
US Fish and Wildlife - Sport Fish Restoration Program	15.605	315,000
US Fish and Wildlife - Inmate work camp	15.657	<u>7,800</u>
Total US Fish & Wildlife Service		<u>366,267</u>
Total U. S. Department of the Interior		<u>7,010,650</u>

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
Year Ended June 30, 2012

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Environmental Protection Agency: Underground Injection Control Program	66.433	<u>373,725</u>
<b>TOTAL</b>		<u>\$ 40,271,526</u>
Federal Revenue from Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		<u>\$ 40,271,526</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2012**

**GENERAL**

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

**BASIS OF ACCOUNTING**

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

**NON-CASH ASSISTANCE**

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

**SUBRECIPIENTS**

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

<u>Type</u>	<u>Amount</u>
State Energy Program-ARRA: 81.041	\$ 7,912,373
Due to Other State Agency (GSD-ARRA)	<u>(835,705)</u>
Actual Cash Disbursed During the Fiscal Year	<u>\$ 7,075,688</u>
Waste Water Isolation Pilot Project: 81.106	\$ 1,217,933
Due to Other State Agency (Department of Health)	(64,604)
Due to Other State Agency (Environment Department)	(39,320)
Due to Other State Agency (Department of Public Safety)	(202,977)
Due to Other State Agency (DHSEM)	(113,167)
Due to Other State Agency (Public Regulation Commission)	<u>(181,315)</u>
Actual Cash Disbursed During the Fiscal Year	<u>\$ 616,550</u>

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2012

**SUBRECIPIENTS (CONTINUED)**

<u>Type</u>	<u>Amount</u>
Forest Inventory/Hazardous Fuels: 10.668	\$ 2,852,898
Accounts payable (Otero County)	(46,200)
Accounts payable (Lincoln County)	(50,453)
Accounts payable (Santa Clara)	<u>(202,977)</u>
Actual Cash Disbursed During the Fiscal Year	<u>\$ 2,553,268</u>



**Independent Auditors' 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, 2012, and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

Management of the Department is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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*.

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.

*CliftonLarsonAllen LLP*

Albuquerque, New Mexico  
December 14, 2012

**Independent Auditors' 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, 2012. The Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Department's management. Our responsibility is to express an opinion on the Department's compliance based on our audit.

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

In our opinion, the Department complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed two instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as findings 12-01 and 12-02.

## 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 12-01 and 12-02. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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.



Albuquerque, New Mexico  
December 14, 2012

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012**

**Section I - Summary of Auditors' 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**

<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.664	Forest Service – Cooperative Forestry Assistance
15.250	Administration and Enforcement (Coal)
81.041	ARRA - State Energy Program
10.688	ARRA – Forest Inventory/Hazardous Fuels
81.128	ARRA – Energy Efficient Conservation Block Grant
97.xxx	Fire Reimbursement
10.xxx	Fire Reimbursement

Dollar threshold used to distinguish between type A and type B programs \$1,208,146

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, 2012**

**Section II – Financial Statement Findings**

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

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012**

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

**Finding 12-01 – FSR Incorrectly Reported Matching Amounts (Significant Deficiency, Compliance)**

**Program:** CFDA #15.250 Coal Administration and Enforcement

**Condition:** In one of one report tested, we noted that amounts reported as the Department's share of expenditures for the matching requirement were not correct. Actual match was \$45,278 higher than what was reported.

**Criteria:** Per OMB A-133 Compliance Requirements for Reporting, the information provided in the reports to the federal agency must be accurate and complete.

**Cause:** The Mining and Minerals Division, based on the Federal Guidance, changed the allocation used for the indirect match; however, this change was not communicated to the Administrative Services Division, which is the division that prepares the federal reports.

**Effect:** The reports required by the federal oversight agency are not accurate, and the underlying financial information is not correct.

**Recommendation:** We recommend that the Department include an additional level of review for reports prepared for other divisions. The fiscal officer or other responsible party of the division holding the grant should review the reports before they are submitted.

**Management's Response:** We will accept the recommendation and have the Division or other responsible party review the reports before they are submitted for the Mining and Minerals Division. Administrative Services Division will have the Mining and Minerals Division review the Financial Status Report(s). The change will be effective immediately.

**Finding 12-02 – Reports Not Submitted Timely (Significant Deficiency, Compliance)**

**Programs:** CFDA #10.688 Forest Inventory/Hazardous Fuels and CFDA #10.664 Forest Service Cooperative Forestry Assistance

**Condition:** CFDA #10.688: During our reporting testwork, we noted 3 instances out of 3 of the SF245 reports not submitted timely. The reports were submitted 31 days after the end of the reporting period rather than the required 30 days. CFDA #10.664: During our reporting testwork it was noted that the Department was not filing required transparency reports.

**Criteria:** Per OMB A-133 Compliance Requirements for Reporting, the information provided in the reports to the federal agency must be accurate, complete and filed timely. Per the Federal Funding Accountability and Transparency Act of 2006, recipients are required to report information on sub award and executive total compensation.

**Cause:** The Department interpreted the reporting requirements incorrectly.

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012

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

**Finding 12-02 – Reports Not Submitted Timely (Significant Deficiency, Compliance)**  
(continued)

**Effect:** The reports required by the federal oversight agencies were not filed timely.

**Recommendation:** We recommend that the Department strictly adhere to the federal reporting requirement and ask oversight agencies for clarification if necessary.

**Management's Response:** Our practice has always been to submit our quarterly financial reports by the end of the month following the quarter. We were not aware of the federal requirement that they needed to be submitted within 30 days. Now that this has been brought to our attention, the Administrative Services Division will ensure we are in compliance with this deadline. This change will be effective immediately.

In regards to Transparency Act compliance, the Forestry Division did not correctly interpret requirements of Attachment B: 2 CFR Part 170. Now that this has been clarified the Forestry Division will immediately report on obligations of \$25,000 or more on all applicable federal awards as required by the Act. We will also build this requirement into our contractual review process to assure future compliance.



**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
June 30, 2012**

**Section II – Financial Statement Findings**

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

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

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

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

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
EXIT CONFERENCE  
June 30, 2012**

An exit conference was held with the Department on December 10, 2012. 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

**CLIFTONLARSONALLEN LLP**

Bill Petri, CPA, Partner  
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.