

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

**FINANCIAL STATEMENTS  
June 30, 2013**

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**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
OFFICIAL ROSTER  
June 30, 2013**

**Office of the Secretary**

David Martin, Cabinet Secretary Designee

Brett F. Woods, Deputy Cabinet Secretary

**Division Directors**

Ronald Cruz, Director, Administrative Services

Bersabe Rodriguez, Chief Financial Officer

Fernando Martinez, Director, Mining and Minerals

Jami Bailey, Director, Oil Conservation

Louise Martinez, Director, Energy Conservation and Management

Tony Delfin, Director, Forestry Division

Tommy Mutz, Director, State Parks Division

Joe I. Montano, Information Systems Manager



CliftonLarsonAllen LLP  
500 Marquette NW, Suite 800  
Albuquerque, NM 87102  
505-842-8290 | fax 505-842-1568  
[www.cliftonlarsonallen.com](http://www.cliftonlarsonallen.com)

## Independent Auditors' Report

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

### Report on Financial Statements

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, major special revenue funds, and fiduciary funds of the State of New Mexico Energy, Minerals, and Natural Resources Department (the Department) as of and for the year ended June 30, 2013, and the related notes to the financial statements, 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 and the budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting

estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Department, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended, in accordance 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 nonmajor governmental fund and fiduciary fund of the Department as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the Department's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

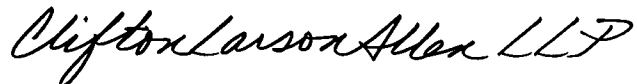
The Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling

such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013 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* in considering the Department's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

Albuquerque, New Mexico  
December 16, 2013



**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

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 position decreased by \$2,901,287 in fiscal year 2013.
- The Department's total revenues decreased by \$29,911,535 for fiscal year 2013.
- The total cost of all Department programs was \$66,643,919, a decrease of \$21,616,528 for fiscal year 2013.

### **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. In FY13, the YCC Commission increased outreach to the southern part of the State of New Mexico, which resulted in an increase in participation from that area. In addition, through aggressive outreach to the young people participating in YCC, a significant increase in requests for cash bonuses and tuition vouchers, which is a part of YCC's educational component, will enable additional youth to pursue their educational goal.

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**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 fuels, and safe transportation of radioactive waste – to promote and administer policies for environmental and economic sustainability and to protect public health and safety for New Mexico and its citizens. The Program's goals of reduced energy consumption and expenditures and effective administration of federally funded programs lead to many achievements for the state, including 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.

ECMD provides oversight for five Clean Energy tax incentive programs, review of technical studies to provide certifications as required by law, manage and administer policies for safe transportation of radioactive waste, monitor Clean Energy Projects, and compile reports required under existing federal and state legislation.

In addition to providing policies and guidance, ECMD administers the Waste Isolation Pilot Plant (WIPP) Program. ECMD 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.

**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 wildland 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 FY13 Fire Season was less severe in terms of number of acres burned and number of fires. This year, the Division had 420 fires that burned approximately 8,803 acres. Most of the fire activity occurred on federal lands in New Mexico. The Division believes the pre-positioning of additional fire suppression forces helped to keep many fires small and less expensive.

The FY14 fire season's predicted weather pattern is below normal significant fire potential across New Mexico. However, El Nino conditions continue to develop over the Pacific and will likely intensify into the fall. The onset of El Nino favor above normal precipitation and normal

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conditions with the transition to fall, and then shift to warmer and drier than normal conditions for October and November. The potential exists for periods of above normal fire potential to develop throughout the fall and winter months.

The Veteran Fire Crews Pilot Program trained and employed over 40 military veterans as wildland fire hand crews over the summer. These veterans have responded to approximately 13 incidents in New Mexico, California and Oregon.

**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 Office of the Director is responsible for division resource development, policy, planning, administrative and fiscal management and oversight and management of four programs, including the Mine Registration Program, the Mining Act Reclamation Program, the Coal Mine Reclamation Program and the Abandoned Mine Program.

The Mining Act Reclamation Program (MARF) seeks to promote the responsible utilization and reclamation of lands affected by mining and exploration. MARF works to protect the public and environment through the permitting and regulation of active, inactive and proposed non-coal mining facilities and exploration projects in 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. MARF has permitted 501 mining and exploration projects encompassing over \$684 million in financial assurance. The overall disturbed acreage under permit with MARF is 25,923 acres. The total number of acres reclaimed throughout the history of the Program (1994-2012) is now at 5,963 acres.

The Coal Reclamation Program (CMRP) is responsible for regulating coal mines on all federal, state and private lands within New Mexico, with the exception of Indian lands. CMRP's mandate is to protect the general public, adjacent landowners and the environment from the effects of mining. The program oversees more than 85,000 acres of permitted mine lands and nearly \$500 million in financial assurance. The CMRP currently has eight coal mines under permit, although only three, BHP-Billiton's San Juan Underground Mine, and Peabody's Lee Ranch Surface Mine and El Segundo Surface Mine, are currently extracting coal. Chevron's McKinley Mine is within months of completing full reclamation, and the remaining four mines are passing through the minimum ten-year post reclamation bond liability period, during which the ability to support the approved post mine land use is demonstrated.

The Abandoned Mine Land Program (AML) implements a federally funded program that has been working to reclaim and safeguard both its high priority coal and non-coal inventory. The mandate of AML is to protect public health, public safety, and property from the danger and adverse effects of historic mining practices and to restore land, water resources and the environment degraded by the same adverse effects. MMD estimates that more than 10,000 hazardous mine openings remain un-reclaimed throughout New Mexico. In 2013, the AML Program completed five construction projects at abandoned mine sites in New Mexico. Two of these projects safeguarded a total of 58 hard-rock mine openings at the Cleveland Mine near Silver City and the Bradley Mine Group near Deming. Of the 58 closures, 30 were structural closures, most of which are bat compatible. A project in Madrid constructed emergency measures to protect structures and property in the town after flood damage due to washout of

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coal mine waste piles. The two other projects repaired vandalized closures at sites near Carrizozo and Orogrande.

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. Of special note, mining production value for calendar year 2012 (compiled from mine operator annual reports) totaled more than \$2.8 billion – the highest annual dollar value in the state's history. 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. Uranium permitting has become controversial. The Program is putting in more time developing the permits related to uranium mining and increased public participation. 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 and 2012, there were a total of 6 rare earth exploration permit applications filed with the program.

**State Parks.** Continuing the legacy of the New Mexico State Parks Commission, established in 1933, the New Mexico State Parks Division has grown into a 35-park system that includes 19 lakes and nearly 197,000 surface acres of land and water. State parks can be found in 25 of New Mexico's 33 counties. The New Mexico State Park system is an integral part of the state's outdoor recreation economy, which contributes \$6.1 billion in consumer spending, 68,000 jobs, \$1.7 billion in wages and salaries, and \$458 million in state and local taxes annually (source: Outdoor Industry Association 2013). Visitation at State Parks directly correlates to economic activity in the state, particularly in rural areas where many of the parks are located.

As an enterprise agency, state parks is required to generate 69% of its operating budget through self-generated revenues, such as camping and admission fees, concession fees, other state funds and federal funds. Environmental conditions such as drought and wildfire resulted in low lake levels and temporary park closures, culminating in declining revenues. This has required further operating budget and full time equivalent (FTE) position reductions. Although focused on meeting visitor expectations, the Division struggles with Legislative performance measures. Visitation during fiscal year 2013 was approximately 8.7 percent lower than in FY 2012, while self-generated fee revenue from camping and day-use fees decreased by 10.25 percent as compared to FY12.

In response to the challenges mentioned above, the Division implemented a strategic business approach to reduce costs, increase revenue, increase visitation, and improve visitor experience. For example, the Division reduced FTEs as a result of a self-imposed reorganization and initiated a systematic re-prioritization of capital projects. Throughout FY13, the Division continued to address a \$40 million backlog of capital projects for statewide repairs and improvements to existing buildings, structures and roadways. Capital improvements were also

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made in FY13 to ensure compliance with the Americans with Disabilities Act (ADA) and increase accessibility to park facilities.

A legislative accomplishment during FY13 included the passage of Senate Bill 94 (Penalty Assessment Misdemeanor Citations), which will drastically reduce the amount of time and operational funds expended by the Division on citations, reduce the petty misdemeanor case load for magistrate courts, and lessen the impact of citations on park visitors by giving them two options for resolving the infraction.

The Division also completed a major revision of its rules in FY13. The revisions resulted in more efficient park operations, improved visitor experience, and enhanced private business opportunities in State Parks.

**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.

The Division exceeded its performance target (23,500) for the number of inspections performed, exceeding the FY12 inspection count by 2,560 for a total of 37,707. Moreover, a large number of Underground Inspection Control (UIC) inspections were conducted in the final quarter, meeting the goals set by the federal UIC program. In addition, the OCD plugged 57 wells using Oil Reclamation Fund monies, a number that represents almost half of the state well plugging obligations and that exceeds the target performance metric of 25. Also, for the first time, the OCD recouped close to \$100,000 in salvage revenue from well plugging. With respect to the work of the Engineering Bureau, the goal for administrative orders is to review, approve, and issue seventy-five percent (75%) of all administrative applications within thirty (30) days of their receipt. In FY13, ninety percent (90%) of all administrative applications were issued within 30 days of their receipt. In addition, the overall average turnaround time for all the administrative orders issued was twenty (20) days. Finally, the Division continues to participate in projects related to the Carlsbad Brine well, including maintenance of an early warning system and technical measurement of the proclivity of that cavern's collapse. In addition to the providing data analysis, monitoring and re-entry efforts, Division staff members provide technical guidance to other government entities involved in the project and participate in all of the committees that have been formed to plan for a successful resolution to the situation. In FY13, a 2 year contract was put in place to perform site monitoring, geophysical analyses, and a feasibility study.

**Program Support.** Program Support consists of the Office of the Secretary (OFS), consisting of legal and policy. The Administrative Services Division encompasses Financial Services, Human Resources and Information Technology Bureaus. The purpose of the program is to support the department's divisions, the Energy, Conservation and Management; Forestry; State Parks; Mining and Minerals; Oil Conservation and the Youth Conservation Corps, by providing administrative services as well as policy direction and management.

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The Information Technology Office (ITO) operates and develops information technology (IT) systems and projects that support the agency goals and initiatives. IT encompasses computer and communications infrastructure, including hardware and software, security, communications (voice and data) and databases, as well as the applications that run on, or use, that infrastructure to deliver the actual services to internal and external customers. ITO is also responsible for the department's IT planning, policy and procedures; and approves all IT purchases.

Financial Services Bureau directs the department's financial operations, particularly budget and accounting and support services. The Human Resource Bureau supports the department and its employees in all aspects of personnel administration, personnel policy and benefits.

### **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, including the Schedule of Expenditures of Federal Grants, in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements consist of a statement of net position 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.

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

**Governmental Funds.** Most of the Department's services are included in governmental funds which focus on: (1) how cash and other financial assets that can be readily converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view and help the user determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. Since this information does not include the additional long-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 position and changes in net position 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 The Parks 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.

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

**Notes to the Financial Statements**

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

**Required Supplementary Information (Other than MD&A)**

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



**STATE OF NEW MEXICO ENERGY, MINERALS,  
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**Financial Analysis of the Department as a Whole**

**Net Assets.** Table A-1 summarizes the Department's net position for the fiscal year ended June 30, 2013. Total Department net position for fiscal year 2013 were \$95,840,939. Unrestricted net assets in Governmental Activities were \$2,774,955 at the end of the fiscal year. Restricted net assets including capital projects, debt service and special appropriations were \$41,279,686. The balance of \$51,786,298 in net position represent those invested in capital assets, net of related debt (buildings, equipment, etc.).

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

	<u>FY 2013</u>	<u>FY 2012</u>	<u>Amount Change</u>	<u>Total % Change</u>
<b>Assets:</b>				
Current and other assets	\$ 57,602,895	\$ 56,389,817	\$ 1,213,078	2%
Capital and non-current assets	<u>72,441,534</u>	<u>74,957,828</u>	<u>(2,516,294)</u>	-3%
<b>Total assets</b>	<u>\$130,044,429</u>	<u>\$131,347,645</u>	<u>\$ (1,303,216)</u>	-1%
<b>Liabilities:</b>				
Current liabilities	\$ 23,356,275	\$ 19,784,416	\$ 3,571,859	18%
Long-term liabilities	<u>10,847,215</u>	<u>12,821,003</u>	<u>(1,973,788)</u>	-15%
<b>Total liabilities</b>	<u>34,203,490</u>	<u>32,605,419</u>	<u>1,598,071</u>	5%
<b>Net position:</b>				
Net investment in capital assets	51,786,298	52,484,095	(697,797)	-1%
Restricted	41,279,686	43,426,412	(2,146,726)	-5%
Unrestricted	<u>2,774,955</u>	<u>2,831,719</u>	<u>(56,764)</u>	-2%
<b>Total net position</b>	<u>95,840,939</u>	<u>98,742,226</u>	<u>(2,901,287)</u>	-3%
<b>Total liabilities and net position</b>	<u>\$130,044,429</u>	<u>\$131,347,645</u>	<u>\$ (1,303,216)</u>	-1%

The Department's net position decreased \$2,901,287 over the course of this fiscal year's operations. The following financial information is a comparison of net position for 2013 and 2012.

The total assets consist of cash and cash equivalents, investment in the State Treasurer's General Fund Investment Pool, receivables from the federal government for grants, receivables from other state agencies, amount due from fiduciary fund, other receivables and capital assets (net of accumulated depreciation). Total liabilities consist of accrued interest payable, accounts

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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 position is comprised of investment in capital assets, restricted and unrestricted amounts. In 2013, the amount that was restricted was used to illustrate restricted amounts in the fund financial statements as stated above.

The variances consist of:

**Total assets.** The variance of current and other assets is due to the fact that cash, cash equivalents and investment in the State Treasurer's General Fund Investment Pool increased by \$1,213,078 from fiscal year 2012. Also, there was a decrease in net receivables of \$9,466,637 from fiscal year 2012. Net capital assets decreased from the FY2012 stated amount by \$2,516,294, partly due to including projects in process.

**Total liabilities.** In current liabilities, a major factor contributing to the variance was an increase in the amount of Due to State General Fund, which increased by \$7,453,237. Other liabilities, such as accounts payable, increased from FY12.

**Total net position.** The net position for the Department decreased from 2012 by \$2,901,287. The Department's total revenue decreased by approximately 31%, from \$95,026,954 to \$65,117,286. The Department's total expenses decreased by approximately 24%, from \$88,260,447 to \$66,645,788. Total net position decreased by approximately 3% from \$98,742,226 to \$95,840,939.

### **Changes in Net Position**

The Department's change in net position for fiscal year 2013 was a decrease of \$2,901,287 (see Table A-2). A significant portion, thirty percent (36%), of the Department's revenue comes from State General Fund Appropriations. Thirty-eight percent (39%) comes from federal grant funds, fourteen percent (5%) comes from gross receipts tax and seven percent (12%) comes from charges for services.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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**Table A-2  
Changes in the Department's Net Position**

	<u>FY 2013</u>	<u>FY 2012</u>	<u>Amount Change</u>	<u>Total % Change</u>
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 4,234,786	\$ 4,810,200	\$ (575,414)	-12%
Operating grants and contributions	<u>24,669,015</u>	<u>40,271,526</u>	<u>(15,602,511)</u>	-39%
Total program revenues	<u>28,903,801</u>	<u>45,081,726</u>	<u>(16,177,925)</u>	-36%
General revenues:				
Appropriations, net of reversions	19,225,916	30,076,931	(10,851,015)	-36%
Interest	18,529	16,727	1,802	11%
Gross Receipts Tax	8,825,829	8,391,710	434,119	5%
Bond proceeds -				
Severance Tax	864,799	4,065,901	(3,201,102)	-79%
Gasoline Tax	193,828	190,860	2,968	2%
Conservation Tax	4,810,061	5,162,606	(352,545)	-7%
Other	1,195,103	191,133	1,003,970	525%
Other state funds	<u>1,077,553</u>	<u>1,849,360</u>	<u>(771,807)</u>	
Total general revenues	<u>36,211,618</u>	<u>49,945,228</u>	<u>(13,733,610)</u>	-27%
Total revenues	<u>65,115,419</u>	<u>95,026,954</u>	<u>(29,911,535)</u>	-31%
<b>Expenses:</b>				
Natural resources and recreation	66,643,919	88,260,447	(21,616,528)	-24%
Gain on sale of equipment	(3,816)	344,671	348,487	101%
Interagency transfers, net	<u>(1,376,603)</u>	<u>(6,261,332)</u>	<u>(4,884,729)</u>	78%
Total expenses	<u>65,263,500</u>	<u>82,343,786</u>	<u>(26,152,770)</u>	-32%
Change in net position	(2,901,287)	160,504	(3,061,791)	-1908%
Net position, beginning of year	98,742,226	95,361,469	3,380,757	4%
Restatement	<u>-</u>	<u>3,220,253</u>	<u>(3,220,253)</u>	100%
Net position, beginning of year, restated	<u>98,742,226</u>	<u>98,581,722</u>	<u>160,504</u>	0%
Net position, end of year	<u>\$ 95,840,939</u>	<u>\$ 98,742,226</u>	<u>\$ (2,901,287)</u>	-3%

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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**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 \$4,234,786, 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, capital outlay, compensated absences and debt service.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

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

<b>Program</b>	<b>Expenses</b>	<b>Percentage Spent by Program</b>
Renewable Energy & Energy Efficiency	\$ 2,206,575	3%
Forestry & Fire Disasters	22,102,224	33%
Mine Reclamation	6,623,636	10%
Oil and Gas Conservation	8,643,265	13%
State Parks	18,288,016	28%
Program Support	4,448,011	7%
Youth Conservation Corps	<u>3,670,258</u>	6%
	<u>\$ 65,981,985</u>	100%

**Fund Balance**

As the Department completed the year, its governmental funds reported a combined fund balance of \$37,564,493, which is \$2,429,916 lower than last year. There was a significant deficiency of revenues under expenditures, but this deficiency decreased from FY12 by approximately \$6 million.

The ending fund balance of \$38 million is comprised of amounts restricted and committed. The restricted fund balance is \$35 million; \$3 million is categorized as committed.

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

The total fund balance of the Department's general fund increased by \$12,122 during the current fiscal year.

Besides the general fund, the other major funds were the Emergency Fire Disaster fund, Abandoned Mine Reclamation, State Parks, ARRA, Debt Service and the EMNRD Capital Projects GGRT Fund. Changes in these fund balances from FY12 are as follows:

- The Emergency Fire Disaster fund decreased by \$4,050,935.
- The Abandoned Mine fund increased by \$10,525.
- The State Parks fund decreased by \$184,711.
- The ARRA fund did not have a change.
- The Debt Service fund decreased by \$904.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

- The Capital Projects GGRT fund increased by \$1,008,584.

**General Fund Budgetary Highlights**

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

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

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

The Department expended \$21,696,304 of the special appropriations carried over from prior years in FY 2013.

The Department received several capital project appropriations for FY 2013.

The Governor issued 18 executive orders for FY 2013 for emergency fire suppression activities in the amount of \$12,750,000.

**Capital Assets and Debt Administration**

At the end of fiscal year 2013, the Department has invested a total of \$147,860,011 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 \$2,404,598, which is approximately 2% over last fiscal year. The major increases in capital assets during the fiscal year were in the areas of buildings and land improvements. 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,  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

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

	(Dollars in Millions)			
	FY 2013	FY 2012	Amount Change	Total % Change
Land	\$ 8.2	\$ 8.2	\$ -	0%
Land Improvements	28.2	27.6	0.6	2%
Buildings and Improvements	77.1	76.0	1.1	1%
Equipment and Machinery	13.9	13.8	0.1	1%
Furniture and Fixtures	0.5	0.5	-	0%
Vehicles and Automotive	8.3	7.8	0.5	6%
Data Processing Equipment	0.6	0.8	(0.2)	-25%
Museum Acquisitions	0.5	0.5	-	0%
Projects in Process	1.6	1.7	(0.1)	-6%
Easements and other Intangibles	8.9	8.5	0.4	5%
<b>Total assets</b>	<b>\$ 147.8</b>	<b>\$ 145.4</b>	<b>\$ 2.4</b>	<b>2%</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 \$75,418,477.

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 2013, the amount outstanding on these obligations was \$12 million. Detailed information about the Department's long-term debt is presented in Note 9 to the financial statements.

**Economic Factors and Next Year's Budget and Rates**

The Department's budget is appropriated to the following programs:

- Energy Conservation and Management
- Healthy Forest
- State Parks
- Mining and Minerals
- Oil Conservation
- Program Support

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2013**

The Department's operating budget for fiscal year 2014 is \$69,773,200 and includes 484.0 full time equivalents (FTE).

As required by the Accountability in Government Act, fiscal year 2013 was the 12th year the Department has submitted performance based and program budgets. The Department continues to work with the Legislative Finance Committee (LFC) and the State Budget Division to report and streamline measures that are meaningful and useful.

**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 POSITION  
June 30, 2013**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 141,144
Investment in State Treasurer General Fund Investment Pool	43,347,601
Restricted cash	2,439,201
Receivables:	
Federal government	9,849,201
Due from fiduciary fund	52,592
Due from other state agencies	1,381,233
Other receivables	<u>391,923</u>
Total current assets	<u>57,602,895</u>
<b>NON-CURRENT ASSETS</b>	
Intangible assets	8,190,318
Capital assets	139,669,693
Less: accumulated depreciation	<u>(75,418,477)</u>
Total non-current assets	<u>72,441,534</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 130,044,429</u>

	<b>Governmental Activities</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 10,834,630
Accrued interest payable	190,761
Due to fiduciary fund	27,939
Due to State General Fund	7,865,946
Due to other state agencies	519,352
Accrued payroll	790,535
Current portion of compensated absences payable	1,243,392
Current portion of long-term obligations	<u>1,883,720</u>
Total current liabilities	<u>23,356,275</u>
<b>LONG-TERM OBLIGATIONS</b>	
Non-current compensated absences	266,017
Non-current portion of long-term obligations	<u>10,581,198</u>
Total long-term obligations	<u>10,847,215</u>
<b>TOTAL LIABILITIES</b>	<u>34,203,490</u>
<b>NET POSITION</b>	
Net investment in capital assets	51,786,298
Restricted for:	
Capital projects	5,087,156
Debt services, net of accrued interest payable	2,266,321
Special monies	33,926,209
Unrestricted	<u>2,774,955</u>
Total net position	<u>95,840,939</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 130,044,429</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, 2013**

	<u>Governmental Activities</u>
<b>EXPENSES</b>	
Renewal Energy Program	\$ 2,206,575
Healthy Forests Program	11,493,159
State Parks Program	18,288,016
Mine Reclamation Program	6,623,636
Oil & Gas Conservation Program	8,643,265
Program Support	4,448,011
Conservation	3,670,258
Fire disasters	10,609,065
Interest	632,147
Other	<u>29,787</u>
Total expenses	<u>66,643,919</u>
<b>PROGRAM REVENUE</b>	
Charges for services	4,234,786
Operating grants and contributions	<u>24,669,015</u>
Net program revenue (expense)	<u>(37,740,118)</u>
<b>GENERAL REVENUES AND TRANSFERS</b>	
Appropriations (net of reversions)	19,225,916
Interest	18,529
Other state funds	1,077,553
Gross receipts tax	8,825,829
Conservation taxes	4,810,061
Gasoline tax	193,828
Bond proceeds - severance tax	864,799
Inter-agency transfers	(1,376,603)
Gain on sale of equipment	3,816
Other revenue	<u>1,195,103</u>
Total general revenues and transfers	<u>34,838,831</u>
<b>CHANGE IN NET POSITION</b>	(2,901,287)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>98,742,226</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 95,840,939</u>

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, 2013**

	<u>General Fund 19900</u>	<u>Emergency Fire Disaster Fund 21300</u>	<u>Abandoned Mine Reclamation Fund 65600</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,359	\$ -	\$ -
Investment in State Treasurer General Fund Investment Pool	-	18,981,076	4,708,082
Restricted cash	-	-	-
Receivables:			
Federal government	3,992,670	5,062,151	-
Due from other funds	317,936	2,248,776	-
Due from fiduciary fund	-	-	-
Due from other state agencies	60,974	-	405
Other receivables	6,283	44	-
<b>TOTAL ASSETS</b>	<u>\$ 4,381,222</u>	<u>\$ 26,292,047</u>	<u>\$ 4,708,487</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,384,391	\$ 5,814,677	\$ -
Due to other funds	2,241,572	94,551	-
Due to Fiduciary Fund	122	-	-
Due to State General Fund	10,964	7,854,982	-
Due to other state agencies	258,491	43,387	-
Accrued payroll	314,179	160,753	-
<b>Total liabilities</b>	<u>4,209,719</u>	<u>13,968,350</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	12,323,697	4,708,487
Committed	171,503	-	-
<b>Total fund balances</b>	<u>171,503</u>	<u>12,323,697</u>	<u>4,708,487</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 4,381,222</u>	<u>\$ 26,292,047</u>	<u>\$ 4,708,487</u>

<u>Major</u>	<u>Funds</u>	<u>Debt</u>	<u>EMNRD</u>	<u>Other</u>	<u>Total</u>
<u>State Parks</u>	<u>ARRA</u>	<u>Service</u>	<u>Capital Projects</u>	<u>Governmental</u>	<u>Governmental</u>
<u>Fund 20010</u>	<u>Fund 89000</u>	<u>Fund 30000</u>	<u>GGRT Fund 64600</u>	<u>Funds</u>	<u>Funds</u>
\$ 137,785	\$ -	\$ -	\$ -	\$ -	\$ 141,144
2,543,073	-	17,881	4,579,057	12,518,432	43,347,601
-	-	2,439,201	-	-	2,439,201
567,853	224,127	-	-	2,400	9,849,201
-	-	-	-	48,946	2,615,658
52,592	-	-	-	-	52,592
186,116	-	-	413,413	720,325	1,381,233
40,165	-	-	334,663	10,768	391,923
<u>\$ 3,527,584</u>	<u>\$ 224,127</u>	<u>\$ 2,457,082</u>	<u>\$ 5,327,133</u>	<u>\$ 13,300,871</u>	<u>\$ 60,218,553</u>
\$ 822,585	\$ 217,125	\$ -	\$ 295,115	\$ 2,300,737	\$ 10,834,630
133,114	6,339	-	33,602	106,480	2,615,658
27,663	-	-	-	154	27,939
-	-	-	-	-	7,865,946
-	-	-	-	217,474	519,352
283,687	663	-	3,830	27,423	790,535
<u>1,267,049</u>	<u>224,127</u>	<u>-</u>	<u>332,547</u>	<u>2,652,268</u>	<u>22,654,060</u>
-	-	-	-	-	-
-	-	2,457,082	4,994,586	10,496,447	34,980,299
2,260,535	-	-	-	152,156	2,584,194
<u>2,260,535</u>	<u>-</u>	<u>2,457,082</u>	<u>4,994,586</u>	<u>10,648,603</u>	<u>37,564,493</u>
<u>\$ 3,527,584</u>	<u>\$ 224,127</u>	<u>\$ 2,457,082</u>	<u>\$ 5,327,133</u>	<u>\$ 13,300,871</u>	<u>\$ 60,218,553</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 POSITION  
June 30, 2013**

<b>Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)</b>	<b>\$ 37,564,493</b>
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Amounts reported for governmental activities in the Statement of Net Position 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	147,860,011
Accumulated depreciation is	<u>(75,418,477)</u>
 Total capital assets	 72,441,534

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	(12,464,918)
Accrued interest payable	(190,761)
Compensated absences payable	<u>(1,509,409)</u>
 Total long-term and other liabilities	 <u>(14,165,088)</u>

<b>Net position of governmental activities (Statement of Net Position)</b>	<b><u>\$ 95,840,939</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, 2013

	Major			
	General Fund 19900	Emergency Fire Disaster Fund 21300	Abandoned Mine Reclamation Fund 65600	State Parks Fund 20010
<b>REVENUES</b>				
Boating fees	\$ -	\$ -	\$ -	\$ 257,464
Interest	-	-	10,525	29
Other state funds	-	-	-	-
Park admissions	25,136	-	-	1,251,589
Lease and rental income	900	-	-	2,335,384
Federal funds	14,610,012	5,342,066	-	2,121,039
Concession income	-	-	-	364,313
Gross receipts tax	-	-	-	-
Conservation taxes	-	-	-	-
Gasoline tax	-	-	-	-
Other	5,557	6,439	-	585,203
Total revenues	<u>14,641,605</u>	<u>5,348,505</u>	<u>10,525</u>	<u>6,915,021</u>
<b>EXPENDITURES</b>				
Current:				
Renewable Energy Program	998,953	-	-	-
Healthy Forests Program	10,024,098	-	-	-
State Parks Program	-	-	-	15,733,588
Mine Reclamation Program	5,427,060	-	-	-
Oil & Gas Conservation Program	3,700,266	-	-	-
Program Support	4,361,979	-	-	-
Conservation	-	-	-	-
Fire disasters	-	8,242,585	-	-
Capital outlay	473,165	-	-	818,265
Debt service-principal	-	-	-	-
Debt service-interest	-	-	-	-
Debt service-miscellaneous	-	-	-	-
Total expenditures	<u>24,985,521</u>	<u>8,242,585</u>	<u>-</u>	<u>16,551,853</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(10,343,916)</b>	<b>(2,894,080)</b>	<b>10,525</b>	<b>(9,636,832)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Inter-agency transfers - State general fund appropriation:				
Regular	10,305,100	-	-	9,954,600
Special	-	-	-	-
Governor's Executive Orders	-	12,750,000	-	-
Intra-agency transfers, net	1,080,623	(134,035)	-	(580,522)
Inter-agency transfers - reversions	(10,964)	(13,772,820)	-	-
Inter-agency transfers - severance tax	-	-	-	-
Inter-agency transfers - other, net	(1,018,721)	-	-	37,635
Proceeds from sale of capital assets	-	-	-	40,408
NET OTHER FINANCING SOURCES (USES)	<u>10,356,038</u>	<u>(1,156,855)</u>	<u>-</u>	<u>9,452,121</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>12,122</b>	<b>(4,050,935)</b>	<b>10,525</b>	<b>(184,711)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>159,381</u>	<u>16,374,632</u>	<u>4,697,962</u>	<u>2,445,246</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 171,503</u>	<u>\$ 12,323,697</u>	<u>\$ 4,708,487</u>	<u>\$ 2,260,535</u>

Funds				
ARRA Fund 89000	Debt Service Fund 30000	EMNRD Capital Projects GGRT Fund 64600	Other Governmental Funds	Total Governmental
\$ -	\$ -	\$ -	\$ -	\$ 257,464
-	7,948	-	27	18,529
-	-	-	1,077,553	1,077,553
-	-	-	-	1,276,725
-	-	-	-	2,336,284
2,593,498	-	-	2,400	24,669,015
-	-	-	-	364,313
-	-	5,165,358	3,660,471	8,825,829
-	-	-	4,810,061	4,810,061
-	-	-	193,828	193,828
-	-	332,796	265,108	1,195,103
<u>2,593,498</u>	<u>7,948</u>	<u>5,498,154</u>	<u>10,009,448</u>	<u>45,024,704</u>
1,035,128	-	-	-	2,034,081
-	-	-	570,606	10,594,704
-	-	1,122,889	1,911	16,858,388
-	-	-	678,786	6,105,846
-	-	-	4,267,329	7,967,595
-	-	-	-	4,361,979
-	-	-	3,383,343	3,383,343
1,537,136	-	-	-	9,779,721
23,210	-	892,348	493,512	2,700,500
-	1,818,497	-	-	1,818,497
-	574,699	-	-	574,699
-	29,787	-	-	29,787
<u>2,595,474</u>	<u>2,422,983</u>	<u>2,015,237</u>	<u>9,395,487</u>	<u>66,209,140</u>
(1,976)	(2,415,035)	3,482,917	613,961	(21,184,436)
-	-	-	-	20,259,700
-	-	-	-	-
-	-	-	-	12,750,000
-	2,414,131	(2,474,333)	(305,864)	-
-	-	-	-	(13,783,784)
-	-	-	864,799	864,799
1,976	-	-	(397,493)	(1,376,603)
-	-	-	-	40,408
<u>1,976</u>	<u>2,414,131</u>	<u>(2,474,333)</u>	<u>161,442</u>	<u>18,754,520</u>
-	(904)	1,008,584	775,403	(2,429,916)
-	2,457,986	3,986,002	9,873,200	39,994,409
<u>\$ -</u>	<u>\$ 2,457,082</u>	<u>\$ 4,994,586</u>	<u>\$ 10,648,603</u>	<u>\$ 37,564,493</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, 2013**

**Net Changes in Fund Balances - Total Governmental Funds**  
**(Statement of Revenues, Expenditures, and Changes in Fund Balances)** \$ (2,429,916)

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: 283,874

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: 1,818,497

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: (57,448)

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	2,700,500
Depreciation expense	<u>(5,180,202)</u>

Excess of depreciation expense over capital outlay (2,479,702)

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: (36,592)

**Change in net position of governmental activities (Statement of Activities)** \$ (2,901,287)

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, 2013**

<b>GENERAL FUND - TOTAL</b>				
	<u>Budgeted Amounts</u>		<b>Actual</b>	<b>Variance From</b>
	<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	\$ 10,305,100	\$ 10,305,100	\$ 10,305,100	\$ -
Special	150,000	150,000	-	(150,000)
Other state funds	29,200	29,200	30,439	1,239
Federal funds	21,245,000	21,575,406	14,610,012	(6,965,394)
Other	1,210,000	1,210,000	1,154	(1,208,846)
Other financing sources	-	157,000	1,103,466	946,466
Fund balance rebudgeted	<u>32,900</u>	<u>32,900</u>	<u>-</u>	<u>(32,900)</u>
<b>TOTAL REVENUES</b>	<u>\$ 32,972,200</u>	<u>\$ 33,459,606</u>	<u>26,050,171</u>	<u>\$ (7,409,435)</u>
<b>EXPENDITURES:</b>				
Personal services and benefits	\$ 15,110,300	\$ 15,149,909	13,813,359	\$ 1,336,550
Contractual services	6,091,400	6,315,700	4,420,236	1,895,464
Other costs	10,280,100	10,421,633	6,751,925	3,669,708
Other financing uses	<u>1,490,400</u>	<u>1,572,364</u>	<u>1,041,565</u>	<u>530,799</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 32,972,200</u>	<u>\$ 33,459,606</u>	<u>26,027,085</u>	<u>\$ 7,432,521</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			23,086	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(10,964)	
Timing difference related to accounts payable			<u>-</u>	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 12,122</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, 2013

EMERGENCY FIRE DISASTER FUND				
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
State General Fund appropriation:				
Executive orders	\$ -	\$ 12,750,000	\$ 12,750,000	\$ -
Federal funds	-	-	5,342,066	5,342,066
Other	-	-	6,439	6,439
Cash balance rebudgeted	9,601,676	9,601,676	-	(9,601,676)
<b>TOTAL REVENUES</b>	<b>\$ 9,601,676</b>	<b>\$ 22,351,676</b>	<b>18,098,505</b>	<b>\$ (4,253,171)</b>
<b>EXPENDITURES:</b>				
Personal services and benefits	\$ 44,330	\$ 1,144,330	1,099,561	\$ 44,769
Contractual Services	-	-	-	-
Other costs	9,526,255	21,026,255	6,689,889	14,336,366
Other financing uses	31,091	181,091	134,035	47,056
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,601,676</b>	<b>\$ 22,351,676</b>	<b>7,923,485</b>	<b>\$ 14,428,191</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			10,175,020	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(13,772,820)	
Timing difference related to accounts payable			(453,135)	
<b>NET CHANGE IN FUND BALANCE</b>			<b>\$ (4,050,935)</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, 2013

<b>ABANDONED MINE RECLAMATION</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	-	-	-	-
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	-	-	-	-
Interest Income	-	-	10,525	10,525
Other financing sources	-	-	-	-
Cash balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>10,525</u>	<u>\$ 10,525</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual Services	-	-	-	-
Other costs	-	-	-	-
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 10,525</u>	

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

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
Year Ended June 30, 2013**

	<b>STATE PARKS</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	\$ 9,854,600	\$ 9,854,600	\$ 9,954,600	\$ 100,000
Special	-	-	-	-
Motor vehicle excise tax	420,000	220,000	257,464	37,464
Other state funds	5,107,900	3,779,600	4,440,896	661,296
Federal funds	4,410,800	4,710,800	2,121,039	(2,589,761)
Other financing sources	-	40,000	-	(40,000)
Other	350,200	350,200	173,664	(176,536)
Cash balance rebudgeted	<u>2,781,900</u>	<u>2,781,900</u>	<u>-</u>	<u>(2,781,900)</u>
<b>TOTAL REVENUES</b>	<u>\$ 22,925,400</u>	<u>\$ 21,737,100</u>	<u>16,947,663</u>	<u>\$ (4,789,437)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 13,464,600	\$ 12,176,300	10,785,939	\$ 1,390,361
Contractual Services	1,264,200	1,634,200	920,972	713,228
Other costs	7,260,100	7,190,100	4,843,118	2,346,982
Other financing uses	<u>936,500</u>	<u>736,500</u>	<u>580,522</u>	<u>155,978</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 22,925,400</u>	<u>\$ 21,737,100</u>	<u>17,130,551</u>	<u>\$ 4,606,549</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			(182,888)	
<b>GAAP BASIS RECONCILIATION</b>				
Timing differences related to accounts payable			<u>(1,823)</u>	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ (184,711)</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, 2013**

<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	7,239,665	6,294,965	2,593,498	(3,701,467)
Other	-	-	-	-
Other financing sources	-	-	1,976	1,976
Cash balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 7,239,665</u>	<u>\$ 6,294,965</u>	<u>\$ 2,595,474</u>	<u>\$ (3,699,491)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 591,456	\$ 498,056	383,818	\$ 114,238
Contractual Services	5,480,249	5,015,549	1,717,185	3,298,364
Other costs	957,592	570,992	494,471	76,521
Other financing uses	210,066	210,368	-	210,368
<b>TOTAL EXPENDITURES</b>	<u>\$ 7,239,363</u>	<u>\$ 6,294,965</u>	<u>\$ 2,595,474</u>	<u>\$ 3,699,491</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>				
			-	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			-	
Timing differences related to accounts payable			-	
<b>NET CHANGE IN FUND BALANCE</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, 2013**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Investments in State General Fund Investment Pool	\$ 72,254
Due from other funds	27,939
Interest receivable	2
Due from other state agencies	<u>54,272</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 154,467</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ -
Due to other funds	52,592
Due to other state agencies	27,939
Due to state general fund	52,592
Deposits held in custody for others	<u>21,344</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 154,467</u></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, 2013**

**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, 2013**

**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, 2013**

**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, 2013**

**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.

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**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.

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**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

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**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.

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**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.

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**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, 2013 was \$632,147.

**Federal Grants Receivable (Unearned 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, unearned revenue balances represent an overdraw of cash (advances) in excess of modified accrual basis expenditures. Generally, receivable or unearned 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 20 for additional information about fund balances.



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**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

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**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, 2013, 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.

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**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.

**Use of Restricted Resources**

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Department did not have any items that qualified for reporting in this category as of June 30, 2013.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Department did not have any items that were required to be reported in this category as of June 30, 2013.

**Net Position**

In June 2011, GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB 63), effective for the County's fiscal year beginning July 1, 2012. GASB 63 modifies the presentation of deferred inflows and deferred outflows in the financial statements; it also limits the use of the term "deferred." Implementation of GASB 63 had no effect on the Department's net position or changes in net position for the fiscal year ended June 30, 2013.

The government-wide statements utilize a net position presentation categorized as follows:

Net Investment in capital assets - This category reflects the portion of net position that are associated with capital assets less outstanding capital asset related debt.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Restricted net position - For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position used are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This category reflects net position of the District not restricted for any project or other purpose.

**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**

For cash management and investment purposes, funds of various state agencies are deposited in the State General Fund Investment Pool (the Pool), which is managed by the Office of the New Mexico State Treasurer. Claims on the Pool are reported as assets by the various agencies investing in the Pool.

In June 2012, an independent diagnostic report revealed that Pool balances had not been reconciled at a "business unit by fund" level since the inception of the Statewide Human Resources, Accounting, and Management Reporting System (SHARE) system in July 2006. This report, entitled "Current State Diagnostic of Cash Control," also described a difference between Pool bank balances and the corresponding general ledger balances and indicated that the effect of reconciling items were unknown. The report, dated June 20, 2012, is available on the website of the New Mexico Department of Finance & Administration at: [http://www.nmdfa.state.nm.us/Cash\\_Control.aspx](http://www.nmdfa.state.nm.us/Cash_Control.aspx).

By state statute, the New Mexico Department of Finance and Administration (DFA) is responsible for the performance of monthly reconciliations with the balances and accounts kept by the State Treasurer. Therefore, under the direction of the State Controller/Financial Control Division Director, the Financial Control Division (FCD) of the New Mexico Department of Finance & Administration undertook action to address the situation. DFA/FCD initiated the Cash Management Remediation Project (Remediation Project) in partnership with the Office of the New Mexico State Treasurer, the New Mexico Department of Information Technology, and a contracted third party with expertise in the Enterprise System Software used by the State.

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**NOTE 4 – STATE GENERAL FUND INVESTMENT POOL (CONTINUED)**

The Remediation Project objective was to design and implement changes necessary to ensure ongoing completion of timely, accurate and comprehensive reconciliation of the Pool. DFA has or is in the process of implementing all the recommendations resulting for the Remediation Project and has made changes to the State's SHARE system configuration, cash accounting policies and procedures, business practices, and banking structure. This has enabled DFA to complete timely and accurate reconciliation of bank to book balances at the State and Business Unit level on a post-implementation basis, however it did not resolve historical reconciling items. Additional changes recommended by the Project continue to be cascaded through DFA and state agencies to support the Business Unit by Fund accounting requirements.

A plan to address historical reconciling items is being assessed and a separate initiative will need to be undertaken to resolve the historical reconciling items. Management considers it unlikely that this separate initiative will be successful in allocating all historical reconciling items to the State entities invested in the Pool. As a result, any remaining differences post specific allocation to Pool participants will be reported in the State General Fund.

Management of DFA in FY 2012 recorded a loss contingency of \$101.7 million in the State General Fund based on its estimate of the effect of issues related to the reconciliation of the Pool, that estimate is still current. Because no specific loss amount is determinable, consistent with generally accepted accounting principles, the amount accrued is the minimum amount that management considers to be probable. Ultimately, the loss could exceed the amount accrued, perhaps by a substantial amount.

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, 2013 the Department had the following invested in the State General Fund Investment Pool:

Governmental funds - State General Fund Investment Pool: \$43,347,601  
Fiduciary funds - \$72,254

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

**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, 2013.

**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, 2013.

<u>Account Name</u>	<u>Account Number</u>	<u>Type</u>	<u>Balances, June 30, 2013</u>
<b>General Fund:</b>			
Operating Fund	199-521	State Treasury Account	\$ -
Petty cash	N/A	Petty cash accounts	2,350
Bank accounts (see Schedule 2)	Various	Various banks	1,009
<b>Special Revenue Funds:</b>			
State Parks	2001-521	State Treasury Account	2,543,073
Motor Boat Fuel Tax Fund	309-521	State Treasury Account	320,422
Emergency Fire Disaster Fund	213-521	State Treasury Account	18,981,076

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

<u>Account Name</u>	<u>Account Number</u>	<u>Type</u>	<u>Balances, June 30, 2013</u>
Oil Reclamation Fund	311-521	State Treasury Account	7,968,203
Conservation Planting Revolving Fund	321-521	State Treasury Account	82,258
Forest Land Protection Fund	322-521	State Treasury Account	1,321
Petroleum Violation Escrow Funds - Stripper Well	316-521	State Treasury Account	11,979
Surface Mining Permit Fees	319-521	State Treasury Account	77,687
Surface Mining Penalty Fund	320-521	State Treasury Account	5,405
Abandoned Mine Reclamation Fund	656-521	State Treasury Account	4,708,082
NM Mining Act Fund	566-621	State Treasury Account	505,136
NM Youth Conservation Corps	014-522	State Treasury Account	3,043,094
NM Mining Act Penalty Fund	731-521	State Treasury Account	64,356
Energy Efficiency Assessment Fund	2015-521	State Treasury Account	134,216
Inmate Workcamp Fund	956-521	State Treasury Account	184,756
Bank Accounts (see Schedule 2)	Various	Various	120,585
Petty Cash	N/A	Petty Cash Accounts	17,200
<b>Capital Projects Funds:</b>			
Capital Projects GGRT	646-521	State Treasury Account	4,579,057
GF/STB	509-521	State Treasury Account	119,599
<b>Debt Service Funds:</b>			
Debt Service	300-521	State Treasury Account	17,881
NM Finance Authority	N/A	Bank Accounts	179,956
Bonds 1995 & 1995A	N/A	Repurchase Agreement	526,830
Bonds 1995B issuance	N/A	Repurchase Agreement	26,057
Bonds 1996B issuance	N/A	Repurchase Agreement	29,741
Bonds 1997A & 1997B issuance	N/A	Repurchase Agreement	354,451
Bonds 1998A & 1998B issuance	N/A	Repurchase Agreement	365,892
Bonds 2000A & 2000B issuance	N/A	Repurchase Agreement	371,140
Bonds 2003	N/A	Repurchase Agreement	500,510
Bonds 2010	N/A	Repurchase Agreement	84,624
Governmental funds cash and cash equivalents			<u>45,927,946</u>

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

<u>Account Name</u>	<u>Account Number</u>	<u>Type</u>	<u>Balances, June 30, 2013</u>
<b>Agency Funds:</b>			
Boat Suspense Fund	773-521	State Treasury Account	50,912
GGRT Suspense Fund	774-521	State Treasury Account	-
Soil and Water Equipment Fund	775-521	State Treasury Account	-
Oil Disposition Holding Fund	891-521	State Treasury Account	21,342
Renewable Energy Transmission Fund	1029-521	State Treasury Account	-
			<u>72,254</u>
Agency funds cash			<u>72,254</u>
<b>Total cash and cash equivalents</b>			<b><u>\$ 46,000,200</u></b>

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, 2013 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.

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 \$21,544,714.



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**NOTE 7 - CAPITAL ASSETS**

A summary of changes in capital assets follows:

Governmental-type Activities	Balance, June 30, 2012	Additions	Deletions	Adjust./ Reclass.	Balance, June 30, 2013
Buildings and improvements	\$ 76,005,342	\$ 428,321	\$ (16,372)	\$ 772,083	\$ 77,189,374
Data processing equipment	859,512	137,368	(7,194)		989,686
Equipment and machinery	13,828,358	200,086	(89,143)	-	13,939,301
Furniture and fixtures	510,147	-	(24,072)	-	486,075
Land improvements	27,656,680	515,868	(1,961)	92,342	28,262,929
Vehicles and automotive	7,863,670	612,507	(135,844)	-	8,340,333
Intangibles	21,000	-	-	-	21,000
<b>Total</b>	<u>126,744,709</u>	<u>1,894,150</u>	<u>(274,586)</u>	<u>864,425</u>	<u>129,228,698</u>
Accumulated depreciation:					
Buildings and improvements	(35,442,428)	(2,718,598)	16,372	-	(38,144,654)
Data processing equipment	(484,419)	(139,500)	7,194		(616,725)
Equipment and machinery	(10,358,514)	(707,453)	75,021	-	(10,990,946)
Furniture and fixtures	(454,876)	(10,759)	24,072	-	(441,563)
Land improvements	(17,212,017)	(1,048,808)	807	-	(18,260,018)
Vehicles and automotive	(6,544,748)	(555,084)	135,844	-	(6,963,988)
Intangibles	(583)	-	-	-	(583)
<b>Total accumulated depreciation</b>	<u>(70,497,585)</u>	<u>(5,180,202)</u>	<u>259,310</u>	<u>-</u>	<u>(75,418,477)</u>
Assets not being depreciated:					
Projects in Progress	1,738,250	806,350	(21,316)	(864,425)	1,658,859
Library and museum acquisitions	556,231	-	-	-	556,231
Land	8,246,905	-	-	-	8,246,905
Intangibles - Easements	8,169,318	-	-	-	8,169,318
<b>Total</b>	<u>18,710,704</u>	<u>806,350</u>	<u>(21,316)</u>	<u>(864,425)</u>	<u>18,631,313</u>
<b>Net total</b>	<u>\$ 74,957,828</u>	<u>\$(2,479,702)</u>	<u>\$ (36,592)</u>	<u>\$ -</u>	<u>\$ 72,441,534</u>

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

Depreciation expense was charged to governmental function as follows:

Renewable Energy Program	\$ 302,847
Healthy Forests Program	898,455
State Parks Program	1,429,628
Mine Reclamation Program	517,790
Oil & Gas Conservation Program	675,670
Program Support	369,906
Conservation	286,915
Fire Disasters	<u>698,991</u>
<b>Total</b>	<b><u>\$ 5,180,202</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 \$5,917,837 was paid to the State General Fund during the year. Of the total reversion expense, \$7,865,946 is payable at June 30, 2013 and due by September 30, 2013. 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	\$ 10,964	2013
Special Revenue Fund – Emergency Fire Disaster	96,760	2013
Special Revenue Fund – Emergency Fire Disaster	2,820,220	2012
Special Revenue Fund – Emergency Fire Disaster	<u>10,855,840</u>	2011
<b>Total</b>	<b><u>\$13,783,784</u></b>	

Of these reversion amounts due to the State General Fund for the year ended June 30, 2013, \$7,865,946 was paid in September 2013. The current year reversions due to the State General Fund as of June 30, 2013 were as follows:

General Fund	\$ 10,964
Special Revenue Fund – Emergency Fire Disaster	<u>7,854,982</u>
<b>Total Governmental Funds</b>	<b><u>\$ 7,865,946</u></b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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**NOTE 9 - LONG-TERM DEBT**

The changes to long-term debt are as follows:

	<b>Balance, June 30, 2012</b>	<b>Increase</b>	<b>(Decrease)</b>	<b>Balance, June 30, 2013</b>	<b>Amounts Due Within One Year</b>
Compensated absences	\$ 1,793,283	\$ 1,239,986	\$ (1,523,860)	\$ 1,509,409	\$ 1,243,392
Federal loan proceeds	979,581	-	-	979,581	-
Bonds issued, 1995A & 1995B	63,147	-	(20,431)	42,716	21,043
Bonds issued, 1996A & 1996B	97,441	-	(23,290)	74,151	23,990
Bonds issued, 1997A & 1997B	1,640,193	-	(297,348)	1,342,845	308,168
Bonds issued, 1998A & 1998B	2,008,275	-	(298,334)	1,709,941	309,184
Bonds issued, 2001	2,418,540	-	(257,404)	2,161,136	268,782
Bonds issued, 1995A & 1996A	1,737,000	-	(469,000)	1,268,000	488,000
Bonds issued, 2003	4,697,591	-	(352,190)	4,345,401	364,053
Bonds issued, 2010 equipment	641,647	-	(100,500)	541,147	100,500
<b>Net total</b>	<b><u>\$ 16,076,698</u></b>	<b><u>\$ 1,239,986</u></b>	<b><u>\$ (3,342,357)</u></b>	<b><u>\$ 13,974,327</u></b>	<b><u>\$ 3,127,112</u></b>

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, 2013, are as follows:

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

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**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 \$55,582 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>
2014	\$ (115,131)	\$ 115,131	\$ -
2015	30,207	62,937	93,144
2016	32,485	60,659	93,144
2017	34,952	58,192	93,144
2018	37,625	55,519	93,144
2019 – 2023	174,777	231,825	406,602
2024 – 2028	129,826	188,096	317,922
2029 – 2033	166,612	151,310	317,922
2034 – 2038	213,821	104,101	317,922
2039 – 2043	274,407	43,515	317,922
<b>Total</b>	<u>\$ 979,581</u>	<u>\$ 1,071,285</u>	<u>\$ 2,050,866</u>

During the 1996 fiscal year, The Parks 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 \$1,737. The current portion of long-term debt is \$21,043.

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:			
2014	\$ 21,043	\$ 1,175	\$ 22,218
2015	21,673	596	22,269
<b>Total</b>	<u>\$ 42,716</u>	<u>\$ 1,771</u>	<u>\$ 44,487</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

During the 1997 fiscal year, Parks 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 \$2,680. The current portion of long-term debt is \$23,990.

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:			
2014	\$ 23,990	\$ 2,039	\$ 26,029
2015	24,709	1,379	26,088
2016	<u>25,452</u>	<u>700</u>	<u>26,152</u>
<b>Total</b>	<u>\$ 74,151</u>	<u>\$ 4,118</u>	<u>\$ 78,269</u>

During the 1998 fiscal year, The Parks 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 \$86,878. The current portion of long-term debt is \$308,168.

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:			
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>1,225,000</u>	<u>175,540</u>	<u>1,400,540</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series B:			
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>117,845</u>	<u>8,221</u>	<u>126,066</u>
<b>Grand Total</b>	<b><u>\$ 1,342,845</u></b>	<b><u>\$ 183,761</u></b>	<b><u>\$ 1,526,606</u></b>

During the 1999 fiscal year, The Parks 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 \$99,280. The current portion of long-term debt is \$309,184.

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:			
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>1,555,000</u>	<u>251,189</u>	<u>1,806,189</u>
Series B:			
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>154,941</u>	<u>13,034</u>	<u>167,975</u>
<b>Grand Total</b>	<b><u>\$ 1,709,941</u></b>	<b><u>\$ 264,223</u></b>	<b><u>\$ 1,974,164</u></b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

During the 2001 fiscal year, The Parks 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 \$112,096. The current portion of long-term debt is \$268,782.

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:			
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>	<u>\$ 2,161,136</u>	<u>\$ 425,365</u>	<u>\$ 2,586,501</u>

During the 2004 fiscal year, the Parks 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 \$80,948. The current portion of long-term debt is \$488,000.

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:			
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>	<u>\$ 1,268,000</u>	<u>\$ 104,228</u>	<u>\$ 1,372,228</u>

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

During the 2004 fiscal year, The Parks 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 \$177,165. The current portion of long-term debt is \$364,053.

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:			
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>\$ 4,345,401</u>	<u>\$ 1,004,362</u>	<u>\$ 5,349,763</u>

During the 2010 fiscal year, the Parks 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. Interest expense for the current fiscal year was \$13,915. 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:			
2014	\$ 100,500	\$ 12,509	\$ 113,009
2015	100,500	10,750	111,250
2016	<u>340,147</u>	<u>8,640</u>	<u>348,787</u>
<b>Total</b>	<u>\$ 541,147</u>	<u>\$ 31,899</u>	<u>\$ 573,046</u>



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

Due from and due to other funds as of June 30, 2013 are as follows:

<b>Amounts Due from Other Funds</b>			<b>Amounts Due to Other Funds</b>		
<b>Transfers to Fund Name</b>	<b>Fund No.</b>	<b>Amount</b>	<b>Transfers from - Fund Name</b>	<b>Fund No.</b>	<b>Amount</b>
<b>Governmental Funds:</b>			<b>Governmental funds:</b>		
General Fund	19900	\$ 317,936	General Fund	19900	\$ 2,241,694
State Parks	20010	52,592	State Parks	20010	160,777
Emergency Fire/ Insect & Disaster	21300	2,248,776	Emergency Fire/ Insect & Disaster	21300	94,551
Inmate Work Camp	95600	<u>48,946</u>	Oil Reclamation Fund	31100	70,710
			Conservation Planting Revolving	32100	154
			Capital Projects/GGRT	64600	33,602
			ARRA	89000	6,339
			STB Capital Outlay	89200	10,766
			New Mexico Mining	56600	<u>25,004</u>
<b>Total governmental funds</b>		2,668,250	<b>Total governmental funds</b>		2,643,597
<b>Fiduciary funds:</b>			<b>Fiduciary funds:</b>		
GGRT Suspense Fund	77400	<u>27,939</u>	Boat Suspense Fund	77300	<u>52,592</u>
<b>Total</b>		<u>\$ 2,696,189</u>	<b>Total</b>		<u>\$ 2,696,189</u>

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

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**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>
<b>Governmental funds:</b>			<b>Governmental funds:</b>		
General Fund	19900	\$ 269,455	Dept. of Health (WIPP)	06104	10,466
			Dept of Public Safety (WIPP)	12804	72,955
			Dept of Homeland Sec. & Emerg. Mgt. (WIPP)	20054	19,185
			Environment Dept. (WIPP)	06400	45,075
			General Services Departme	97000	110,810
			State General Fund	85300	10,964
Emergency Fire/ Insect & Disaster	21300	7,898,369	State General Fund	85400	7,854,982
			Corrections Department	90700	43,387
Capital Projects-STB	89200	<u>217,474</u>	Environment Dept.	89200	<u>217,474</u>
<b>Total governmental funds</b>		<u>8,385,298</u>	<b>Total governmental funds</b>		<u>8,385,298</u>
<b>Agency funds:</b>			<b>Agency funds:</b>		
Boat Suspense Fund	77300	52,592	Dept. of Finance & Admin.	85300	52,592
GGRT Suspense Fund	77400	<u>27,939</u>	Taxation & Revenue Dept.	70700	<u>27,939</u>
<b>Total agency funds</b>		<u>80,531</u>	<b>Total agency funds</b>		<u>80,531</u>
<b>Total all funds</b>		<u>\$ 8,465,829</u>	<b>Total all funds</b>		<u>\$ 8,465,829</u>

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

Due from Other State Agencies	Fund No.	Amount	Due from Agency/Fund	Fund No.	Amount
<b>Governmental funds:</b>			<b>Governmental funds:</b>		
General Fund	19900	\$ 60,974	Environment Dept.	34100	\$ 60,974
			General Services Dept.	75200	
State Parks	20010	186,116	Taxation & Revenue Dept.	81900	565
			Taxation & Revenue Dept.	82500	44,337
			Taxation & Revenue Dept.	82800	5,228
			Game & Fish	19800	135,986
Motor Boal Fuel Tax	30900	12,324	Taxation & Revenue Dept.	82800	12,324
Oil Reclamation Fund	31100	467,892	Taxation & Revenue Dept.	83300	467,892
Petroleum Violation Escrow Fund	31600	1	State Treasurer's Office	80100	1
Conservation Planting	32100	476	Taxation & Revenue Dept.	81900	476
Capital Projects-GGRT	64600	413,413	Taxation & Revenue Dept.	83200	413,413
Abandoned Mine Reclamation Fund	65600	405	State Treasurer's Office	80100	405
STB Capital Projects	89200	<u>239,632</u>	Dept. of Finance & Admin.	10730	217,474
			Dept. of Finance & Admin.	11350	7,032
			Dept. of Finance & Admin.	11450	<u>15,126</u>
<b>Total governmental funds</b>		<u>1,381,233</u>	<b>Total governmental funds</b>		<u>1,381,233</u>
<b>Agency funds:</b>			<b>Agency funds:</b>		
Boat Suspense Fund	77300	54,272	Taxation & Revenue Dept.	82500	54,272
Oil Disposition Holding Fund	89100	<u>2</u>	State Treasurer's Office	80100	<u>2</u>
<b>Total agency funds</b>		<u>54,274</u>	<b>Total agency funds</b>		<u>54,274</u>
<b>Total all funds</b>		<u>\$ 1,435,507</u>	<b>Total all funds</b>		<u>\$ 1,435,507</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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**NOTE 12 - TRANSFERS**

Interagency and interfund transfers as of June 30, 2013 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	\$ 1,080,623	\$ -	\$ 1,080,623
20010 State Parks	-	(580,522)	(580,522)
21300 Emergency Fire Disaster	-	(134,035)	(134,035)
30000 Debt Service	2,414,131	-	2,414,131
31100 Oil Reclamation	-	(153,660)	(153,660)
56600 NM Mining Act	-	-	-
64600 Cap Projects - GGRT	-	(2,474,333)	(2,474,333)
95600 Inmate Work Camp	-	(2,204)	(2,204)
14000 Youth Conservation Corps	-	(150,000)	(150,000)
<b>Total</b>	<u>\$ 3,494,754</u>	<u>\$ (3,494,754)</u>	<u>\$ -</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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**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	\$ 10,305,100	\$ -
85300	Dept. of Finance & Administration	-	(10,305,100)
19900	General Fund - Reversion	-	(10,964)
85300	Dept. of Finance & Administration	10,964	-
19900	General Fund	22,843	(1,041,564)
06104	Department of Health	111,291	-
06400	Environment Department	215,131	(22,843)
12804	Department of Public Safety	384,580	-
20054	Department of Homeland Sec	126,843	-
55000	Public Reg Commission	164,182	-
97000	General Services Department	39,537	-
20010	State Parks	10,090,586	-
19800	Game & Fish	-	(135,986) *
85300	Dept. of Finance & Administration	-	(9,954,600)
21300	Emergency Fire Disaster	12,750,000	(13,772,820)
85300	Dept. of Finance & Admin.	-	(12,750,000)
85400	Dept. of Finance & Admin.	13,772,820	-
50900	Cap Projects - GGRT/STB	77,727	-
10740	Dept. of Finance & Administration	-	(77,727)
89000	ARRA	-	(1,976)
89000	General Services Department	1,976	-

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**NOTE 12 - TRANSFERS (CONTINUED)**

**B - Inter-agency Transfers**

<u>Agency/Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
89200 Cap Projects - STB	787,072	(329,196)
89200 Environment Department	329,196	
10730 Dept. of Finance & Administration	-	(329,196)
10740 Dept. of Finance & Administration	-	(5,847)
11350 Dept. of Finance & Administration	-	(206,251)
11450 Dept. of Finance & Administration	-	(245,778)
01400 YCC	-	(68,297)
50500 Office of Cultural Affairs	68,297	
20010 State Parks	37,635	-
19800 Game & Fish		(35,350)
89200 Environment Dept.	-	(2,285)
<b>Total</b>	<u>\$ 49,295,780</u>	<u>\$ (49,295,780)</u>

\* amount is a Federal expenditure recorded in State Parks Expenses

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

The Governor issued executive orders during the 2013 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 \$12,750,000 during the 2013 fiscal year. \$134,035 of this was transferred to the general fund for administrative costs, leaving \$12,615,965 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, 2013, 2012 and 2011 were \$2,616,185, \$2,533,822 and \$2,915,451, 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

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

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

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

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

**Funding Policy**

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

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. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3,4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each



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

participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the Legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Department's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$346,952, \$345,405 and \$319,803, 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, 2013 was \$209,632.

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, 2013.

Years ending June 30:

2014	\$ 210,230
2015	200,281
2016	185,754
2017	178,292
2018	170,506
2019 and thereafter	<u>106,328</u>
<b>Total</b>	<b><u>\$ 1,051,391</u></b>

**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:

2014	\$ 25,837
2015	11,748
2016	<u>4,125</u>
<b>Total</b>	<b><u>\$ 41,710</u></b>

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**NOTE 18 - CONTINGENT LIABILITIES (CLAIMS AND JUDGMENTS)**

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

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

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

**NOTE 19 - 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, 2013, 2012 and 2011, there were no settlements that exceeded insurance coverage.

**NOTE 20 - 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, 2013 follows:

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**NOTE 20 - FUND BALANCE RESTRICTIONS (CONTINUED)**

Fund Name	Restricted	Committed
General Fund		
Oil and Gas Conservation Program	\$ -	\$ 171,503
Emergency Fire Disaster		
Fire Disaster	12,323,697	-
Abandoned Mine Reclamation		
Mine Reclamation Program	4,708,487	-
State Parks		
State Parks Program	-	2,260,535
Debt Service		
Debt Service Activity	2,457,082	-
Capital Projects - GGRT		
Capital Projects Activity	4,994,586	-
Motor Boat Fuel Tax		
State Parks Program	224,030	74,677
Oil Reclamation Fund		
Oil & Gas Conservation Program	7,280,103	-
Conservation Planting Revolving Fund		
Healthy Forests Program	57,911	-
Forest Land Protection		
Healthy Forests Program	1,321	-
Petroleum Violation Escrow-Stripper Well		
Renewable Energy Program	11,980	-
Surface Mining Permit Fees		
Mine Reclamation Program	-	77,479
New Mexico Mining Act Penalty		
Mine Reclamation Program	64,356	-
Surface Mining Penalty Fund		
Mine Reclamation Program	5,405	-
New Mexico Mining Act		
Mine Reclamation Program	476,419	-
Inmate Work Camp		
Healthy Forests Program	236,553	-
Energy Efficiency Assessment		
Renewable Energy Program	134,216	-
Youth Conservation Corps		
Conservation	1,911,583	-
Capital Projects Fund - GF/STB		
Capital Projects Activity	93,083	-
Capital Projects Fund - STB		
Capital Projects Activity	(513)	-
<b>Total</b>	<b>\$ 34,980,299</b>	<b>\$ 2,584,194</b>

The deficit fund balance in fund 89200 is expected to reverse in FY14 when revenue is recognized.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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**NOTE 21 – NEW GASB POUNDNCEMENTS**

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65), will change how NMSA reports deferred inflows and outflows of resources previously recognized as assets and liabilities. GASB 65 will improve financial reporting by adding clarification to certain elements that do not represent assets or liabilities and to ensure consistency in financial reporting. NMSA will have elements previously reported as assets and liabilities that will be reported under the new financial reporting categories. GASB 65 will be effective for NMSA for fiscal year 2014.

GASB Statement No. 66, *Technical Corrections – 2012* (GASB 66), resolves conflicting accounting and financial reporting guidance from the issuance of GASB 54 and GASB 62. NMSA does not believe it will be impacted by GASB 66, which will be effective for NMSA for fiscal year 2014.

**NOTE 22 – SUBSEQUENT EVENTS**

Management evaluated subsequent events through December 16, 2013, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2013, but prior to December 16, 2013, that provided additional evidence about conditions that existed at June 30, 2013 have been recognized in the financial statements for the year ended June 30, 2013. Events or transactions that provided evidence about conditions that did not exist at June 30, 2013, 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, 2013.

**SUPPLEMENTARY INFORMATION**

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended June 30, 2013**

<b>GENERAL FUND - ENERGY EFFICIENCY (RENEWABLE ENERGY)</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	\$ 594,300	\$ 594,300	\$ 594,300	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	369,900	700,306	444,127	(256,179)
Other	-	-	5	5
Other financing sources	-	-	-	-
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 964,200</u>	<u>\$ 1,294,606</u>	<u>1,038,432</u>	<u>\$ (256,174)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 733,300	\$ 749,009	581,825	\$ 167,184
Contractual services	130,800	347,100	338,304	8,796
Other costs	100,100	116,533	77,351	39,182
Other financing uses	-	81,964	39,537	42,427
<b>TOTAL EXPENDITURES</b>	<u>\$ 964,200</u>	<u>\$ 1,294,606</u>	<u>1,037,017</u>	<u>\$ 257,589</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			1,415	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(1,410)	
Timing difference related to accounts payable			-	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 5</u>	

STATE OF NEW MEXICO ENERGY, MINERALS,  
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STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
Year Ended June 30, 2013

GENERAL FUND - FORESTRY				
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Positive (Negative)
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ 2,938,600	\$ 2,938,600	\$ 2,938,600	\$ -
Special	150,000	150,000	-	(150,000)
Other state funds	29,200	29,200	30,439	1,239
Federal funds	11,476,800	11,476,800	7,159,183	(4,317,617)
Other	-	-	-	-
Other financing sources	-	-	134,035	134,035
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 14,594,600</u>	<u>\$ 14,594,600</u>	<u>10,262,257</u>	<u>\$ (4,332,343)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 4,462,400	\$ 4,462,400	4,062,416	\$ 399,984
Contractual services	1,108,300	1,108,300	714,736	393,564
Other costs	9,023,900	9,023,900	5,479,680	3,544,220
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 14,594,600</u>	<u>\$ 14,594,600</u>	<u>10,256,832</u>	<u>\$ 4,337,768</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			5,425	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(8,289)	
Timing difference related to accounts payable			-	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ (2,864)</u>	

**STATE OF NEW MEXICO ENERGY, MINERALS,  
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STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
Year Ended June 30, 2013**

**GENERAL FUND -  
MINE RECLAMATION PROGRAM**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
<b>REVENUES</b>				
State General Fund appropriation:				
Regular	\$ 485,900	\$ 485,900	\$ 485,900	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	6,731,500	6,731,500	5,009,301	(1,722,199)
Other	-	-	-	-
Other financing sources	-	97,000	-	(97,000)
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 7,217,400</u>	<u>\$ 7,314,400</u>	<u>5,495,201</u>	<u>\$ (1,819,199)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 2,358,100	\$ 2,450,100	2,162,731	\$ 287,369
Contractual services	4,599,900	4,599,900	3,116,553	1,483,347
Other costs	259,400	264,400	216,377	48,023
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 7,217,400</u>	<u>\$ 7,314,400</u>	<u>5,495,661</u>	<u>\$ 1,818,739</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			(460)	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			-	
Timing difference related to accounts payable			-	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ (460)</u>	



**STATE OF NEW MEXICO ENERGY, MINERALS,  
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STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
Year Ended June 30, 2013**

<b>GENERAL FUND - VOLUNTARY COMPLIANCE (OIL &amp; GAS CONS.)</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	\$ 3,587,300	\$ 3,587,300	\$ 3,587,300	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	392,500	392,500	271,568	(120,932)
Other	10,000	10,000	1,149	(8,851)
Other financing sources	-	-	22,800	22,800
Fund balance rebudgeted	<u>32,900</u>	<u>32,900</u>	<u>-</u>	<u>(32,900)</u>
<b>TOTAL REVENUES</b>	<u>\$ 4,022,700</u>	<u>\$ 4,022,700</u>	<u>3,882,817</u>	<u>\$ (139,883)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 3,207,700	\$ 3,207,700	3,114,242	\$ 93,458
Contractual services	127,000	127,000	123,005	3,995
Other costs	573,000	573,000	541,239	31,761
Other financing uses	<u>115,000</u>	<u>115,000</u>	<u>87,667</u>	<u>27,333</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 4,022,700</u>	<u>\$ 4,022,700</u>	<u>3,866,153</u>	<u>\$ 156,547</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			16,664	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			(1,265)	
Timing difference related to accounts payable			<u>-</u>	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 15,399</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, 2013**

	<b>GENERAL FUND - PROGRAM SUPPORT</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	\$ 2,699,000	\$ 2,699,000	\$ 2,699,000	\$ -
Special	-	-	-	-
Other state funds	-	-	-	-
Federal funds	2,274,300	2,274,300	1,725,833	(548,467)
Other	1,200,000	1,200,000	-	(1,200,000)
Other financing sources	-	60,000	946,631	886,631
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<b><u>\$ 6,173,300</u></b>	<b><u>\$ 6,233,300</u></b>	<b><u>5,371,464</u></b>	<b><u>\$ (861,836)</u></b>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 4,348,800	\$ 4,280,700	3,892,145	\$ 388,555
Contractual services	125,400	133,400	127,638	5,762
Other costs	323,700	443,800	437,278	6,522
Other financing uses	1,375,400	1,375,400	914,361	461,039
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 6,173,300</u></b>	<b><u>\$ 6,233,300</u></b>	<b><u>5,371,422</u></b>	<b><u>\$ 861,878</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			42	
<b>GAAP BASIS RECONCILIATION</b>				
Reversions			-	
Timing difference related to accounts payable			-	
<b>NET CHANGE IN FUND BALANCE</b>			<b><u>\$ 42</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, 2013

	DEBT SERVICE FUND			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Bond Proceeds	\$ -	\$ -	\$ -	\$ -
Interest on investments	-	-	7,948	7,948
Other financing sources	2,423,000	2,423,000	2,414,131	(8,869)
Cash balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 2,423,000</u>	<u>\$ 2,423,000</u>	<u>2,422,079</u>	<u>\$ (921)</u>
<b>EXPENDITURES</b>				
Other costs	\$ 2,423,000	2,423,000	2,422,983	17
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,423,000</u>	<u>\$ 2,423,000</u>	<u>2,422,983</u>	<u>\$ 17</u>
<b>NON-BUDGETED ITEMS</b>				
Reversions			-	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ (904)</u>	

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

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -  
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)  
Year Ended June 30, 2013**

	<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	\$ 4,200,000	\$ 4,200,000	\$ 5,165,358	\$ 965,358
Other state funds	-	-	332,796	332,796
Other financing sources	-	-	-	-
Fund balance rebudgeted	<u>1,329,900</u>	<u>1,329,900</u>	<u>-</u>	<u>(1,329,900)</u>
<b>TOTAL REVENUES</b>	<u>\$ 5,529,900</u>	<u>\$ 5,529,900</u>	<u>5,498,154</u>	<u>\$ (31,746)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 305,300	\$ 305,300	288,035	\$ 17,265
Contractual services	50,000	50,000	24,262	25,738
Other costs	2,698,400	2,698,400	1,702,940	995,460
Other financing uses	<u>2,476,200</u>	<u>2,476,200</u>	<u>2,474,333</u>	<u>1,867</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,529,900</u>	<u>\$ 5,529,900</u>	<u>4,489,570</u>	<u>\$ 1,040,330</u>
<b>NON-BUDGETED ITEMS</b>				
Reversions			<u>-</u>	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 1,008,584</u>	

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

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
COMBINING BALANCE SHEET - BY FUND TYPE -  
NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2013**

	Special Revenue Funds	Capital Projects Funds	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investment in State Treasurer General Fund Investment Pool	12,398,833	119,599	12,518,432
Receivables:		-	
Due from other funds	48,946	-	48,946
Due from fiduciary fund	-	-	-
Due from other state agencies	480,693	239,632	720,325
Other receivables	10,768	-	10,768
Federal government	2,400	-	2,400
<b>TOTAL ASSETS</b>	<u>\$ 12,941,640</u>	<u>\$ 359,231</u>	<u>\$ 13,300,871</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 2,262,316	\$ 38,421	\$ 2,300,737
Accrued payroll	27,423	-	27,423
Due to other state agencies	-	217,474	217,474
Due to Fiduciary funds	154	-	154
Due to other funds	95,714	10,766	106,480
Total liabilities	<u>2,385,607</u>	<u>266,661</u>	<u>2,652,268</u>
<b>FUND BALANCE</b>			
Nonspendable	-	-	-
Restricted	10,403,877	92,570	10,496,447
Committed	152,156	-	152,156
Total fund balances	<u>10,556,033</u>	<u>92,570</u>	<u>10,648,603</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 12,941,640</u>	<u>\$ 359,231</u>	<u>\$ 13,300,871</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, 2013

	Special Revenue Funds	Capital Projects Funds	Total
<b>REVENUES</b>			
Interest	\$ 27	\$ -	\$ 27
Other state funds	1,077,553	-	1,077,553
Federal funds	2,400	-	2,400
Gross receipts tax	3,660,471	-	3,660,471
Conservation taxes	4,810,061	-	4,810,061
Gasoline tax	193,828	-	193,828
Other	265,108	-	265,108
	<u>10,009,448</u>	<u>-</u>	<u>10,009,448</u>
Total revenues			
<b>EXPENDITURES</b>			
Current			
Renewal Energy Program	-	-	-
Healthy Forests Program	340,266	230,340	570,606
State Parks Program	-	1,911	1,911
Mine Reclamation Program	678,786	-	678,786
Oil & Gas Conservation Program	4,267,329	-	4,267,329
Program Support	-	-	-
Conservation	3,383,343	-	3,383,343
Capital outlay	112,295	381,217	493,512
Debt service-principal	-	-	-
Debt service-interest	-	-	-
Debt service-miscellaneous	-	-	-
	<u>8,782,019</u>	<u>613,468</u>	<u>9,395,487</u>
<b>TOTAL EXPENDITURES</b>			

	Special Revenue Funds	Capital Projects Fund	Total
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,227,429	(613,468)	613,961
<b>OTHER FINANCING SOURCES (USES)</b>			
Intra-agency transfers, net	(305,864)	-	(305,864)
Inter-agency transfers - reversions	-	-	-
Inter-agency transfers - severance tax	-	864,799	864,799
Inter-agency transfers - other, net	(68,297)	(329,196)	(397,493)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(374,161)</u>	<u>535,603</u>	<u>161,442</u>
<b>NET CHANGE IN FUND BALANCES</b>	853,268	(77,865)	775,403
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>9,702,765</u>	<u>170,435</u>	<u>9,873,200</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 10,556,033</u>	<u>\$ 92,570</u>	<u>\$ 10,648,603</u>

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS  
June 30, 2013

	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	\$ 320,422	\$ 7,968,203	\$ -	\$ 82,258
Receivables:				
Due from other funds	-	-	-	-
Due from fiduciary fund	-	-	-	-
Due from other state agencies	12,324	467,892	-	476
Other receivables	-	-	-	-
Federal government	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 332,746</u>	<u>\$ 8,436,095</u>	<u>\$ -</u>	<u>\$ 82,734</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 34,039	\$ 1,070,272	\$ -	\$ 24,669
Accrued payroll	-	15,010	-	-
Due to other state agencies	-	-	-	-
Due to fiduciary fund	-	-	-	154
Due to other funds	-	70,710	-	-
Total liabilities	<u>34,039</u>	<u>1,155,992</u>	<u>-</u>	<u>24,823</u>
<b>FUND BALANCES</b>				
Restricted	224,030	7,280,103	-	57,911
Committed	74,677	-	-	-
Total fund balances	<u>298,707</u>	<u>7,280,103</u>	<u>-</u>	<u>57,911</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 332,746</u>	<u>\$ 8,436,095</u>	<u>\$ -</u>	<u>\$ 82,734</u>



Forest Land Protection Fund 32200	Petroleum Violation Escrow Funds - Stripper Well 31600	Surface Mining Permit Fees Fund 31900	New Mexico Mining Act Penalty Fund 73100	Surface Mining Penalty Fund 32000	New Mexico Mining Act Fund 56600
\$ 1,321	\$ 11,979	\$ 77,687	\$ 64,356	\$ 5,405	\$ 505,136
-	-	-	-	-	-
-	-	-	-	-	-
-	1	-	-	-	-
-	-	100	-	-	7,118
-	-	-	-	-	-
<u>\$ 1,321</u>	<u>\$ 11,980</u>	<u>\$ 77,787</u>	<u>\$ 64,356</u>	<u>\$ 5,405</u>	<u>\$ 512,254</u>
\$ -	\$ -	\$ 308	\$ -	\$ -	\$ 1,496
-	-	-	-	-	9,335
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	25,004
-	-	308	-	-	35,835
1,321	11,980	-	64,356	5,405	476,419
-	-	77,479	-	-	-
<u>1,321</u>	<u>11,980</u>	<u>77,479</u>	<u>64,356</u>	<u>5,405</u>	<u>476,419</u>
<u>\$ 1,321</u>	<u>\$ 11,980</u>	<u>\$ 77,787</u>	<u>\$ 64,356</u>	<u>\$ 5,405</u>	<u>\$ 512,254</u>

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

	<b>Inmate Work Camp Fund 95600</b>	<b>Energy Efficiency Assessment Fund 20150</b>	<b>Youth Conservation Corps 01400</b>	<b>Total</b>
<b>ASSETS</b>				
Investment in State Treasurer				
General Fund Investment Pool	\$ 184,756	\$ 134,216	\$ 3,043,094	\$ 12,398,833
Receivables:				
Due from other funds	48,946	-	-	48,946
Due from fiduciary fund	-	-	-	-
Due from other state agencies	-	-	-	480,693
Other receivables	3,550	-	-	10,768
Federal government	2,400	-	-	2,400
<b>TOTAL ASSETS</b>	<b><u>\$ 239,652</u></b>	<b><u>\$ 134,216</u></b>	<b><u>\$ 3,043,094</u></b>	<b><u>\$ 12,941,640</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,099	\$ -	\$ 1,128,433	\$ 2,262,316
Accrued payroll	-	-	3,078	27,423
Due to other state agencies	-	-	-	-
Due to fiduciary fund	-	-	-	154
Due to other funds	-	-	-	95,714
Total liabilities	<u>3,099</u>	<u>-</u>	<u>1,131,511</u>	<u>2,385,607</u>
<b>FUND BALANCES</b>				
Restricted	236,553	134,216	1,911,583	10,403,877
Committed	-	-	-	152,156
Total fund balances:	<u>236,553</u>	<u>134,216</u>	<u>1,911,583</u>	<u>10,556,033</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 239,652</u></b>	<b><u>\$ 134,216</u></b>	<b><u>\$ 3,043,094</u></b>	<b><u>\$ 12,941,640</u></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, 2013**

	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	-	-	-	112,003
Federal funds	-	-	-	-
Gross receipt taxes	-	-	-	-
Conservation taxes	-	4,810,061	-	-
Gasoline tax	193,828	-	-	-
Other	-	250,032	-	14,556
Total revenues	<u>193,828</u>	<u>5,060,093</u>	<u>-</u>	<u>126,559</u>
<b>EXPENDITURES</b>				
Renewal Energy Program	-	-	-	-
Healthy Forests Program	-	-	-	134,146
State Parks Program	-	-	-	-
Mine Reclamation Program	-	-	-	-
Oil & Gas Conservation Program	-	4,267,329	-	-
Program Support	-	-	-	-
Conservation	-	-	-	-
Capital Outlay	34,039	78,256	-	-
Total expenditures	<u>34,039</u>	<u>4,345,585</u>	<u>-</u>	<u>134,146</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	159,789	714,508	-	(7,587)
<b>OTHER FINANCING SOURCES (USES)</b>				
Intra-agency transfers, net	-	(153,660)	-	-
Inter-agency transfers - reversions	-	-	-	-
Inter-agency transfers - severance tax	-	-	-	-
Inter-agency transfers - other, net	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(153,660)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	159,789	560,848	-	(7,587)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>138,918</u>	<u>6,719,255</u>	<u>-</u>	<u>65,498</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 298,707</u>	<u>\$ 7,280,103</u>	<u>\$ -</u>	<u>\$ 57,911</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
\$ -	\$ 27	\$ -	\$ -	\$ -	\$ -
-	-	128,530	6,300	-	684,141
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	100	-	420	-
-	27	128,630	6,300	420	684,141
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	110,200	-	-	568,586
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	110,200	-	-	568,586
-	27	18,430	6,300	420	115,555
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	27	18,430	6,300	420	115,555
1,321	11,953	59,049	58,056	4,985	360,864
\$ 1,321	\$ 11,980	\$ 77,479	\$ 64,356	\$ 5,405	\$ 476,419

**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	\$ -	\$ -	\$ -	\$ 27
Other state funds	146,579	-	-	1,077,553
Federal funds	2,400	-	-	2,400
Gross receipt taxes	-	-	3,660,471	3,660,471
Conservation taxes	-	-	-	4,810,061
Gasoline tax	-	-	-	193,828
Other	-	-	-	265,108
	<u>148,979</u>	<u>-</u>	<u>3,660,471</u>	<u>10,009,448</u>
Total revenues				
<b>EXPENDITURES</b>				
Renewal Energy Program	-	-	-	-
Healthy Forests Program	206,120	-	-	340,266
State Parks Program	-	-	-	-
Mine Reclamation Program	-	-	-	678,786
Oil & Gas Conservation Program	-	-	-	4,267,329
Program Support	-	-	-	-
Conservation	-	-	3,383,343	3,383,343
Capital Outlay	-	-	-	112,295
	<u>206,120</u>	<u>-</u>	<u>3,383,343</u>	<u>8,782,019</u>
Total expenditures				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(57,141)	-	277,128	1,227,429
<b>OTHER FINANCING SOURCES (USES)</b>				
Intra-agency transfers, net	(2,204)	-	(150,000)	(305,864)
Inter-agency transfers - reversions	-	-	-	-
Inter-agency transfers - severance tax	-	-	-	-
Inter-agency transfers - other, net	-	-	(68,297)	(68,297)
	<u>(2,204)</u>	<u>-</u>	<u>(218,297)</u>	<u>(374,161)</u>
Total other financing sources (uses)				
<b>NET CHANGE IN FUND BALANCES</b>	(59,345)	-	58,831	853,268
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>295,898</u>	<u>134,216</u>	<u>1,852,752</u>	<u>9,702,765</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 236,553</u>	<u>\$ 134,216</u>	<u>\$ 1,911,583</u>	<u>\$ 10,556,033</u>

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
COMBINING BALANCE SHEET -  
NON-MAJOR CAPITAL PROJECTS FUNDS  
June 30, 2013

	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	-	119,599	119,599
Receivables:			
Due from other funds	-	-	-
Due from other state agencies	239,632	-	239,632
Other receivables	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 239,632</u>	<u>\$ 119,599</u>	<u>\$ 359,231</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 11,905	\$ 26,516	\$ 38,421
Accrued payroll	-	-	-
Due to other state agencies	217,474	-	217,474
Due to Fiduciary funds	-	-	-
Due to other funds	10,766	-	10,766
Total liabilities	240,145	26,516	266,661
<b>FUND BALANCE</b>			
Nonspendable	-	-	-
Restricted	(513)	93,083	92,570
Total fund balances	(513)	93,083	92,570
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 239,632</u>	<u>\$ 119,599</u>	<u>\$ 359,231</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, 2013

	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	-	-	-
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
Renewal Energy Program	-	-	-
Healthy Forests Program	230,340	-	230,340
State Parks Program	-	1,911	1,911
Mine Reclamation Program	-	-	-
Oil & Gas Conservation Program	-	-	-
Program Support	-	-	-
Conservation	-	-	-
Capital outlay	228,049	153,168	381,217
Debt service-principal	-	-	-
Debt service-interest	-	-	-
Debt service-miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENDITURES</b>	<b>458,389</b>	<b>155,079</b>	<b>613,468</b>

	Capital Projects - STB 89200	Capital Projects GF/STB Fund 50900	Total
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(458,389)	(155,079)	(613,468)
<b>OTHER FINANCING SOURCES (USES)</b>			
Intra-agency transfers, net	-	-	-
Inter-agency transfers - reversions	-	-	-
Inter-agency transfers - severance tax	787,072	77,727	864,799
Inter-agency transfers - other, net	(329,196)	-	(329,196)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>457,876</u>	<u>77,727</u>	<u>535,603</u>
<b>NET CHANGE IN FUND BALANCES</b>	(513)	(77,352)	(77,865)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>-</u>	<u>170,435</u>	<u>170,435</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ (513)</u>	<u>\$ 93,083</u>	<u>\$ 92,570</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, 2013

	<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	\$ 180,000	\$ 180,000	\$ 193,828	\$ 13,828
Fund balance rebudgeted	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
<b>TOTAL REVENUES</b>	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>193,828</u>	<u>\$ 3,828</u>
<b>EXPENDITURES</b>				
Other costs	\$ 190,000	\$ 190,000	34,039	\$ 155,961
Other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>34,039</u>	<u>\$ 155,961</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 159,789</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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u> <u>Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Other state funds	\$ 4,272,000	\$ 4,572,000	\$ 5,060,093	\$ 488,093
Other	-	-	-	-
Other financing sources	-	-	-	-
Fund balance rebudgeted	<u>773,000</u>	<u>2,087,274</u>	<u>-</u>	<u>(2,087,274)</u>
<b>TOTAL REVENUES</b>	<u>\$ 5,045,000</u>	<u>\$ 6,659,274</u>	<u>\$ 5,060,093</u>	<u>\$ (1,599,181)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 752,600	\$ 952,600	698,455	\$ 254,145
Contractual services	3,900,000	5,314,274	3,519,693	1,794,581
Other costs	226,500	226,500	127,437	99,063
Other financing uses	<u>165,900</u>	<u>165,900</u>	<u>153,660</u>	<u>12,240</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,045,000</u>	<u>\$ 6,659,274</u>	<u>4,499,245</u>	<u>\$ 2,160,029</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 560,848</u>	

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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NATURAL LANDS PROTECTION FUND -  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended June 30, 2013

	<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	\$ -	\$ -	\$ -	\$ -
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>NET CHANGE IN FUND BALANCE</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, 2013

	<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	\$ 174,000	\$ 174,000	\$ 126,559	\$ (47,441)
Other				-
Cash balance rebudgeted	<u>7,100</u>	<u>7,100</u>	<u>-</u>	<u>(7,100)</u>
<b>TOTAL REVENUES</b>	<u>\$ 181,100</u>	<u>\$ 181,100</u>	<u>126,559</u>	<u>\$ (54,541)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual services	-	-	-	-
Other costs	<u>181,000</u>	<u>181,000</u>	<u>134,146</u>	<u>46,854</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 181,000</u>	<u>\$ 181,000</u>	<u>134,146</u>	<u>\$ 46,854</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ (7,587)</u>	

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

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
FOREST LAND PROTECTION FUND -  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended June 30, 2013

	<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	\$ -	\$ -	\$ -	\$ -
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>NET CHANGE IN FUND BALANCE</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, 2013

	<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>				
Interest on investments	\$ -	\$ -	\$ 27	\$ 27
Other state funds	-	-	-	-
Federal funds	-	-	-	-
Other	-	-	-	-
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>27</u>	<u>\$ 27</u>
<b>EXPENDITURES</b>				
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 27</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, 2013**

	<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	\$ 110,200	\$ 110,200	\$ 128,263	\$ 18,063
Other	-	-	367	367
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 110,200</u>	<u>\$ 110,200</u>	<u>\$ 128,630</u>	<u>\$ 18,430</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual services	58,900	58,900	58,900	-
Other costs	51,300	51,300	51,300	-
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 110,200</u>	<u>\$ 110,200</u>	<u>110,200</u>	<u>\$ -</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 18,430</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, 2013

	<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	\$ -	\$ -	\$ 6,300	\$ 6,300
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>6,300</u>	<u>\$ 6,300</u>
<b>EXPENDITURES</b>				
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 6,300</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, 2013

	<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	\$ -	\$ -	\$ -	\$ -
Other	-	-	420	420
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>420</u>	<u>\$ 420</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 420</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, 2013**

	<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	\$ 605,000	\$ 605,000	\$ 684,141	\$ 79,141
Other	-	-	-	-
Fund balance rebudgeted	<u>205,100</u>	<u>205,100</u>	<u>-</u>	<u>(205,100)</u>
<b>TOTAL REVENUES</b>	<u>\$ 810,100</u>	<u>\$ 810,100</u>	<u>684,141</u>	<u>\$ (125,959)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 558,500	\$ 558,500	530,827	\$ 27,673
Contractual services	105,400	105,400	613	104,787
Other costs	146,200	146,200	37,146	109,054
Other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 810,100</u>	<u>\$ 810,100</u>	<u>568,586</u>	<u>\$ 241,514</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 115,555</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, 2013

	<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	\$ 234,600	\$ 234,600	146,579	\$ (88,021)
Federal funds	-	-	2,400	2,400
Other	-	-	-	-
Fund balance rebudgeted	<u>100,600</u>	<u>100,600</u>	<u>-</u>	<u>(100,600)</u>
<b>TOTAL REVENUES</b>	<u>\$ 335,200</u>	<u>\$ 335,200</u>	<u>148,979</u>	<u>\$ (186,221)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 177,200	\$ 177,200	100,017	\$ 77,183
Contractual services	1,000	1,000	-	1,000
Other costs	121,000	121,000	106,103	14,897
Other financing uses	<u>36,000</u>	<u>36,000</u>	<u>2,204</u>	<u>33,796</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 335,200</u>	<u>\$ 335,200</u>	<u>208,324</u>	<u>\$ 126,876</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ (59,345)</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, 2013

	<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	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Cash balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Contractual services	\$ -	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ -</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, 2013**

	<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>				
Gross receipts tax	\$ 3,300,000	\$ 3,300,000	\$ 3,660,471	\$ 360,471
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Fund balance rebudgeted	<u>948,400</u>	<u>948,400</u>	<u>-</u>	<u>(948,400)</u>
<b>TOTAL REVENUES</b>	<u>\$ 4,248,400</u>	<u>\$ 4,248,400</u>	<u>\$ 3,660,471</u>	<u>\$ (587,929)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ 154,800	\$ 154,800	153,862	\$ 938
Contractual services	3,800,100	3,710,142	3,087,998	622,144
Other costs	43,500	82,658	62,411	20,247
Other financing uses	<u>250,000</u>	<u>300,800</u>	<u>218,297</u>	<u>82,503</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 4,248,400</u>	<u>\$ 4,248,400</u>	<u>3,522,568</u>	<u>\$ 725,832</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES</b>			137,903	
<b>GAAP BASIS RECONCILIATION</b>				
Timing differences related to accounts payable			<u>(79,072)</u>	
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ 58,831</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, 2013

	<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	-	-	77,727	77,727
Fund balance rebudgeted	<u>170,435</u>	<u>170,435</u>	<u>-</u>	<u>(170,435)</u>
<b>TOTAL REVENUES</b>	<u>\$ 170,435</u>	<u>\$ 170,435</u>	<u>77,727</u>	<u>\$ (92,708)</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual services	-	-	-	-
Other costs	170,435	170,435	155,079	15,356
Other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 170,435</u>	<u>\$ 170,435</u>	<u>155,079</u>	<u>\$ 15,356</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ (77,352)</u>	

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

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
EMNRD CAPITAL PROJECTS STB -  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended June 30, 2013**

	<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>				
Gross receipts tax	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Other financing sources	2,692,180	2,992,180	787,072	2,205,108
Fund balance rebudgeted	-	-	-	-
<b>TOTAL REVENUES</b>	<u>\$ 2,692,180</u>	<u>\$ 2,992,180</u>	<u>787,072</u>	<u>\$ 2,205,108</u>
<b>EXPENDITURES</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contractual services	-	-	-	-
Other costs	920,853	1,220,853	458,389	762,464
Other financing uses	<u>1,771,327</u>	<u>1,771,327</u>	<u>329,196</u>	<u>1,442,131</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,692,180</u>	<u>\$ 2,992,180</u>	<u>787,585</u>	<u>\$ 2,204,595</u>
<b>NET CHANGE IN FUND BALANCE</b>			<u>\$ (513)</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, 2013**

	<u>2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>2013</u>
<b>PARKS AND RECREATION DIV. BOAT SUSPENSE FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 121,048	\$ 590,697	\$ 660,833	\$ 50,912
Due from other state agencies	<u>130,042</u>	<u>54,272</u>	<u>130,042</u>	<u>54,272</u>
<b>TOTAL ASSETS</b>	<u>\$ 251,090</u>	<u>\$ 644,969</u>	<u>\$ 790,875</u>	<u>\$ 105,184</u>
<b>LIABILITIES</b>				
Due to other funds	\$ 125,545	\$ 257,464	\$ 330,417	\$ 52,592
Due to state general fund	<u>125,545</u>	<u>257,464</u>	<u>330,417</u>	<u>52,592</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 251,090</u>	<u>\$ 514,928</u>	<u>\$ 660,834</u>	<u>\$ 105,184</u>
<b>GOVERNMENTAL GROSS RECEIPTS TAX SUSPENSE FUND</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 185,591	\$ 185,591	\$ -
Due from other funds	<u>36,129</u>	<u>27,938</u>	<u>36,128</u>	<u>27,939</u>
<b>TOTAL ASSETS</b>	<u>\$ 36,129</u>	<u>\$ 213,529</u>	<u>\$ 221,719</u>	<u>\$ 27,939</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 149,461	\$ 149,461	\$ -
Due to other state agencies	<u>36,129</u>	<u>205,337</u>	<u>213,527</u>	<u>27,939</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 36,129</u>	<u>\$ 354,798</u>	<u>\$ 362,988</u>	<u>\$ 27,939</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, 2013

	<u>2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>2013</u>
<b>OIL DISPOSITION HOLDING FUND</b>				
<b>ASSETS</b>				
Cash	\$ 21,292	\$ 50	\$ -	\$ 21,342
Due from other state agencies	<u>4</u>	<u>2</u>	<u>4</u>	<u>2</u>
<b>TOTAL ASSETS</b>	<u>\$ 21,296</u>	<u>\$ 52</u>	<u>\$ 4</u>	<u>\$ 21,344</u>
<b>LIABILITIES</b>				
Deposits held in custody for others	\$ 21,296	\$ 48	\$ -	\$ 21,344
Due to other state agencies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 21,296</u>	<u>\$ 48</u>	<u>\$ -</u>	<u>\$ 21,344</u>
<b>RENEWABLE ENERGY TRANSMISSION AUTHORITY</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ -	\$ -
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Due to other state agencies	\$ -	\$ -	\$ -	\$ -
<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, 2013**

	<u>2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>2013</u>
<b>TOTAL FIDUCIARY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 142,340	\$ 776,338	\$ 846,424	\$ 72,254
Due from other funds	36,129	27,938	36,128	27,939
Interest receivable	4	2	4	2
Due from other state agencies	<u>130,042</u>	<u>54,272</u>	<u>130,042</u>	<u>54,272</u>
<b>TOTAL ASSETS</b>	<u>\$ 308,515</u>	<u>\$ 858,550</u>	<u>\$ 1,012,598</u>	<u>\$ 154,467</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 149,461	\$ 149,461	\$ -
Due to other funds	125,545	257,464	330,417	52,592
Due to other state agencies	36,129	205,337	213,527	27,939
Due to state general fund	125,545	257,464	330,417	52,592
Deposits held in custody for others	<u>21,296</u>	<u>48</u>	<u>-</u>	<u>21,344</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 308,515</u>	<u>\$ 869,774</u>	<u>\$ 1,023,822</u>	<u>\$ 154,467</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 2 - SUPPLEMENTAL SCHEDULE OF BANK ACCOUNTS  
Year Ended June 30, 2013**

<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	\$ 1,390
1st National Bank of Clayton	20010 - State Parks	Checking	N/A	465
Citizens Bank of Clovis	20010 - State Parks	Checking	N/A	1,931
New Mexico State Treasurer	10290 - Agency	State Treasury	1029-521	-
	19900 - General Fund	State Treasury	199-521	-
	20000 - Special Revenue	State Treasury	2000-521	-
	20010 - Special Revenue	State Treasury	2001-521	2,543,073
	20150 - Special Revenue	State Treasury	2015-521	134,216
	21300 - Special Revenue	State Treasury	213-521	18,981,076
	30000 - Debt Service	State Treasury	300-521	17,880
	30900 - Special Revenue	State Treasury	309-521	320,422
	31100 - Special Revenue	State Treasury	311-521	7,968,203
	31600 - Special Revenue	State Treasury	316-521	11,979
	31900 - Special Revenue	State Treasury	319-521	77,687
	32000 - Special Revenue	State Treasury	320-521	5,405
	32100 - Special Revenue	State Treasury	321-521	82,258
	32200 - Special Revenue	State Treasury	321-521	1,321
	50900 - Capital Projects	State Treasury	509-521	119,599
	56600 - Special Revenue	State Treasury	566-521	505,136
	64600 - Capital Projects	State Treasury	646-521	4,579,057
	65600 - Special Revenue	State Treasury	646-521	4,708,082
	73100 - Special Revenue	State Treasury	731-521	64,356
	77300 - Agency	State Treasury	773-521	50,912
	77400 - Agency	State Treasury	774-521	-
	77500 - Agency	State Treasury	775-521	-
	89100 - Agency	State Treasury	891-521	21,343
	95600 - Special Revenue	State Treasury	956-521	184,756
	89000 - Special Revenue	State Treasury	890-521	-
	01400 - YCC - Special Rev	State Treasury	014-522	3,043,094

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 2 - SUPPLEMENTAL SCHEDULE OF BANK ACCOUNTS (CONTINUED)  
Year Ended June 30, 2013

<u>Bank Name</u>	<u>Account Title</u>	<u>Account Type</u>	<u>State Treasurer Account Number</u>	<u>Bank Balance</u>
Bank of New York - Mellon	30000 - Debt Service	Reserve	N/A	2,260,662
NM Finance Authority	30000 - Bond Proceeds	Reserve	N/A	<u>179,444</u>
<b>TOTAL BANK BALANCE OF CASH</b>				<b><u>\$ 45,863,747</u></b>
<b>RECONCILIATION OF BANK BALANCES TO CASH REPORTED ON THE STATEMENT OF NET ASSETS</b>				
	Outstanding checks			(2,387)
	Deposits in transit			119,190
	Replenishments to be made			101
	Agency funds			(72,255)
	Petty cash on hand			<u>19,550</u>
<b>TOTAL CASH BALANCE ON STATEMENT OF NET ASSETS</b>				<b><u>\$ 45,927,946</u></b>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 2 - SUPPLEMENTAL SCHEDULE OF BANK ACCOUNTS (CONTINUED)  
Year Ended June 30, 2013**

	Accounts at State Treasurer	BNY Mellon	All Other Banks
Total amount of deposit	\$ 43,419,855	\$ 2,260,662	\$ 183,230
Less FDIC	<u>(250,000)</u>	<u>(250,000)</u>	<u>(183,230)</u>
Total uninsured public money	43,169,855	2,010,662	-
50% collateral requirement (A)	21,584,928	-	-
102% reserve funds with BNY collateral requirement (B)	<u>-</u>	<u>2,050,875</u>	<u>-</u>
Total pledged	<u>(21,584,927)</u>	<u>(2,050,875)</u>	<u>-</u>
<b>OVER (UNDER) PLEDGED</b>	<u>\$ (21,584,929)</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 102% of deposit amounts.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 3 – SUPPLEMENTAL SCHEDULE OF  
SPECIAL (EMERGENCY) APPROPRIATIONS  
June 30, 2013**

Special emergency funds were appropriated due to the wildfires resulting from the dry conditions throughout the state in fiscal year 2013 (see Note 13).

<u>Executive Order</u>	<u>Amount</u>
2013-024	\$ 750,000
2013-023	750,000
2013-021	750,000
2013-020	750,000
2013-019	750,000
2013-018	750,000
2013-017	750,000
2013-016	750,000
2013-015	750,000
2013-014	750,000
2013-013	750,000
2013-012	750,000
2012-037	750,000
2012-028	750,000
2012-027	750,000
2012-026	750,000
2012-025	<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>\$ 12,750,000</u>
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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, 2013**

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
11450	12-1333	STB12SA	64	2012	9

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



<u>Expiration</u>	<u>Amount Appropriated</u>	<u>Current year Expenditures</u>	<u>Prior years Incurred Balance</u>	<u>Receivable Balance June 30, 2013</u>	<u>Balance June 30, 2013</u>
06/30/13	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -
06/30/12	350,000	-	350,000	-	-
06/30/12	1,000,000	-	1,000,000	-	-
06/30/12	500,000	-	500,000	-	-
06/30/12	1,867,084	-	1,867,084	-	-
06/30/12	1,500,000	-	1,500,000	-	-
06/30/12	390,000	-	390,000	-	-
06/30/12	1,000,000	-	1,000,000	-	-
06/30/13	-	-	-	-	-
06/30/12	500,000	-	500,000	-	-
06/30/12	750,000	-	750,000	-	-
06/30/13	1,000,000	77,727	922,273	-	-
06/30/13	385,000	-	385,000	-	-
06/30/14	2,215,864	329,196	237,793	217,474	1,648,875
06/30/14	2,000,000	-	2,000,000	-	-
06/30/14	536,340	-	536,340	-	-
06/30/14	247,796	-	247,796	-	-
06/30/14	71,645	-	71,645	-	-
06/30/14	220,256	5,847	180,845	-	33,564
06/30/16	500,000	206,251	125,303	7,032	168,446
06/30/16	300,000	245,778	-	15,126	54,222
					-
	125,000	-	125,000	-	-
	<u>\$ 15,708,985</u>	<u>\$ 864,799</u>	<u>\$ 12,939,079</u>	<u>\$ 239,632</u>	<u>\$ 1,905,107</u>

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS  
Year Ended June 30, 2013

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
Solado 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	\$ 25,000	N/A	EMNRD
City of Albuquerque Allow City to purchase wildland fire safety equipment.	EMNRD	7/23/2010	12/31/9999	\$ -	N/A	EMNRD
Tierra Y Montes SWCD Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	8/5/2010	12/31/9999	\$ 25,000	N/A	EMNRD
Western Mora Soil & 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	\$ 25,000	N/A	EMNRD
Sierra Soil & Water Conservation District Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	7/8/2010	12/31/9999	\$ 25,000	N/A	EMNRD

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2013

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
USDA Forest Service Administer funding from the Federal Highway Administration for the Recreation Trails Program.	EMNRD	4/13/2011	12/31/2013	\$ 48,400	N/A	EMNRD
County of McKinley Administer funding from the Federal Highway Administration for the Recreation Trails Program.	EMNRD	4/13/2011	12/31/2013	\$ 154,331	N/A	EMNRD
City of Bloomfield Administer funding from the Federal Highway Administration for the Recreation Trails Program.	EMNRD	4/13/2011	12/31/2013	\$ 154,331	N/A	EMNRD
City of Las Cruces Administer funding from the Federal Highway Administration for the Recreation Trails Program.	EMNRD	3/7/2011	12/31/2013	\$ 154,331	N/A	EMNRD
Town of Silver City Administer funding from the Federal Highway Administration for the Recreation Trails Program.	EMNRD	3/7/2011	12/31/2013	\$ 154,331	N/A	EMNRD
City of Gallup Administer funding from the Federal Highway Administration for the Recreation Trails Program.	EMNRD	3/7/2011	12/31/2013	\$ 154,331	N/A	EMNRD
City of Carlsbad Develop 2.5 mile trail beginning at Living Desert State Park, continuing to NMSU-Carlsbad and then extending to the Heritage Park and Flue area.	EMNRD	11/5/1998	11/5/2023	\$ 75,848	N/A	EMNRD
City of Clovis Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
City of Clovis Mutual Support Between Clovis and EMNRD For Wildland Fire Suppression on Land Adjacent to Clovis.	EMNRD	3/7/1996	12/31/9999	\$ -	N/A	EMNRD
City of Deming Vendor will construct a one and two-tenths miles of trails as part of the City's Country Club Trail System.	EMNRD	3/11/2009	12/31/2013	\$ 122,456	N/A	EMNRD
City of Elephant Butte Document's EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	9/28/2007	12/31/9999	\$ -	N/A	EMNRD
City of Elephant Butte Document EMNRD's and City's commitment to wildland fire suppression.	EMNRD	12/5/2006	12/31/9999	\$ -	N/A	EMNRD
City of Elephant Butte Mutual support between EMNRD and Elephant Butte for wildland fire suppression on lands adjacent to the City.	EMNRD	1/31/2002	12/31/9999	\$ -	N/A	EMNRD
City of Espanola Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	1/15/2008	12/31/9999	\$ -	N/A	EMNRD
City of Espanola Joint effort for wildland fire suppression near populated areas.	EMNRD	10/5/2001	12/31/9999	\$ -	N/A	EMNRD
City of Espanola Assist the City to enhance the organization of its wildfire protection activities.	EMNRD	4/19/1999	12/31/9999	\$ -	N/A	EMNRD
City of Farmington EMNRD will acquire from the USDA - Forest Service a unique U.S. General Services Administration number for the City of Farmington to use for the purchase of wildland fire equipment and supplies.	EMNRD	4/6/2009	12/31/9999	\$ -	N/A	EMNRD

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2013

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
City of Grants Inmate Work Camp crews will perform natural resource improvements to City property.	EMNRD	3/17/2003	12/31/9999	\$ -	N/A	EMNRD
City of Hobbs Document EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
City of Jal JPA documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	4/1/2008	12/31/9999	\$ -	N/A	EMNRD
City of Las Vegas Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	10/17/2007	12/31/9999	\$ -	N/A	EMNRD
City of Las Vegas Conduct wildland/urban interface projects. .	EMNRD	1/23/2004	12/31/9999	\$ -	N/A	EMNRD
City of Lordsburg JPA documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	4/1/2008	12/31/9999	\$ -	N/A	EMNRD
City of Lovington Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	11/26/2007	12/31/9999	\$ -	N/A	EMNRD
City of Moriarty Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	11/3/2008	12/31/9999	\$ -	N/A	EMNRD
City of Moriarty Purchase wildland firefighting equipment from the U.S. General Services Administration for the City's fire department.	EMNRD	10/15/2002	12/31/9999	\$ -	N/A	EMNRD
City of Portales Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
City of Raton Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	2/18/2008	12/31/9999	\$ -	N/A	EMNRD
City of Raton Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	2/18/2008	12/31/9999	\$ -	N/A	EMNRD
City of Rio Rancho Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	2/13/2008	12/31/9999	\$ -	N/A	EMNRD
City of Rio Rancho Provide support to the City by using inmate work crews to perform natural resource improvements to City property.	EMNRD	12/1/2003	12/31/9999	\$ -	N/A	EMNRD
City of Rio Rancho Allow the City Of Rio Rancho to purchase wildland fire safety equipment and have EMNRD monitor.	EMNRD	3/25/1998	12/31/9999	\$ -	N/A	EMNRD

STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE 5 - JOINT POWERS AGREEMENTS (CONTINUED)  
Year Ended June 30, 2013

	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
City of Roswell Document EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD
City of Roswell Construct one-fourth mile of trail as part of the city's Spring River Parkway Phase II project.	EMNRD	5/27/2009	12/31/2013	\$ 70,568	N/A	EMNRD
City of Santa Fe JPA documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	4/1/2008	12/31/9999	\$ -	N/A	EMNRD
City of Santa Fe Conduct wildland/urban interface projects, as specified in individual project work plans, on City lands.	EMNRD	4/12/2004	12/31/9999	\$ -	N/A	EMNRD
City of Santa Fe Transfer Of operation responsibilities of Santa Fe River State Park .	EMNRD	12/12/1997	12/31/9999	\$ 150,000	N/A	EMNRD
City of Santa Fe Administer funds from the FHWA for the National Recreation Trails Act .	EMNRD	11/20/1997	11/20/2022	\$ 100,000	N/A	EMNRD
City of Santa Rosa Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	12/27/2007	12/31/9999	\$ -	N/A	EMNRD
City of Socorro Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	11/26/2007	12/31/9999	\$ -	N/A	EMNRD
City of Sunland Park Documents EMNRD's and the City's commitment to wildland fire suppression.	EMNRD	5/28/2008	12/31/9999	\$ -	N/A	EMNRD
City of 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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
County of Bernalillo EMNRD will acquire a GSA number for the County to use in purchasing wildland fire equipment and supplies, provide training to County.	EMNRD	12/13/2004	12/31/9999	\$ -	N/A	EMNRD
County of Bernalillo Designate a local contact person with knowledge of the County Fire Departments to have authority to mobile resources, advise EMNRD as to the status of county resources.	EMNRD	3/10/2000	12/31/9999	\$ -	N/A	EMNRD
County of Bernalillo Joint effort - wildfire suppression.	EMNRD	6/12/1990	12/31/9999	\$ -	N/A	EMNRD
County of Catron Conduct defensible space and hazardous fuels projects in Catron County.	EMNRD	9/18/2003	12/31/9999	\$ 618,540	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

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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
County of Roosevelt Mutual support for wildfire suppression between EMNRD and Roosevelt County.	EMNRD	11/24/1992	12/31/9999	\$ -	N/A	EMNRD
County of San Juan Gives the County the ability to purchase wildland fire safety gear through the federal supply schedules of the U.S. General Services Administration.	EMNRD	6/8/2009	12/31/9999	\$ -	N/A	EMNRD
County of San Juan Emergency suppression of wildfires in the state using a Resource Management Plan.	EMNRD	4/23/2004	12/31/9999	\$ -	N/A	EMNRD
County of San Juan Provide support to EMNRD for emergency suppression of wildfires.	EMNRD	5/7/2003	12/31/9999	\$ -	N/A	EMNRD
County of San Miguel Controlling wildland fires that occur near populated areas by mobilizing personnel and resources beyond the normal capability of one jurisdiction.	EMNRD	5/30/2003	12/31/9999	\$ -	N/A	EMNRD
County of San Miguel 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



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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
County of Socorro Assist county in enhancing wildfire protection on non-municipal lands within County.	EMNRD	8/31/1995	12/31/9999	\$ -	N/A	EMNRD
County of Taos Wildfire suppression through use of a Resource Management Plan.	EMNRD	3/23/2004	12/31/9999	\$ -	N/A	EMNRD
County of Taos Allow Taos County to purchase wildland firefighting equipment from the U.S. GSA wildfire suppression personal protective equipment purchasing authority.	EMNRD	12/17/2001	12/31/9999	\$ -	N/A	EMNRD
County of Taos Prevention and fire suppression of forest fires.	EMNRD	11/18/1996	12/31/9999	\$ -	N/A	EMNRD
County of Torrance For prevention, detection & suppression of wildfires on County, State & private land 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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
General Services Department GSD shall provide Parks with assistance in acquiring property located in Tucumcari for the Region II office.	EMNRD	4/14/2005	4/13/2030	\$ -	N/A	EMNRD
Grant Soil & Water Conservation District (SWCD) Improvement of natural resources on lands managed by Grant SWCD.	EMNRD	9/18/2003	12/31/9999	\$ 1,597,680	N/A	EMNRD
Grant, County of Purchase wildland fire safety equipment per GSA account.	EMNRD	4/28/1998	12/31/9999	\$ -	N/A	EMNRD
Guadalupe County To protect and aide in fire protection around the Guadalupe County area.	EMNRD	5/6/1994	12/31/9999	\$ -	N/A	EMNRD
Lava Soil and Water Conservation District Improvement of natural resources on lands the SWCD manages through the performance of natural resource restoration projects.	EMNRD	5/21/2007	12/31/9999	\$ 100,000	N/A	EMNRD
Lincoln County Wild fire suppression within Lincoln County	EMNRD	6/8/1995	12/31/9999	\$ -	N/A	EMNRD
Middle Rio Grande Conservancy Conduct Wildland Urban Interface and Hazardous Materials Grants projects.	EMNRD	10/7/2004	12/31/9999	\$ 531,000	N/A	EMNRD
Middle Rio Grande Conservancy EMNRD & Middle Rio Grande as part of inmate work camp established by EMNRD.	EMNRD	2/2/1998	12/31/9999	\$ -	N/A	EMNRD
Middle Rio Grande Conservancy Provide support to EMNRD's Forestry Division on wildland fires burning on lands.	EMNRD	1/3/1996	12/31/9999	\$ -	N/A	EMNRD
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
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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
Pueblo of Sandia Improvement of natural resources on Pueblo lands through the performance of natural resource restoration projects.	EMNRD	10/5/2007	12/31/9999	\$ 69,000	N/A	EMNRD
Pueblo of Santa Ana Improvement of natural resources on Pueblo lands through the performance of natural resource restoration projects.	EMNRD	1/30/2009	12/31/9999	\$ 20,000	N/A	EMNRD
Pueblo of Santa Clara Improvement of natural resources on Pueblo lands through the performance of natural resource restoration projects.	EMNRD	11/3/2008	12/31/9999	\$ 50,000	N/A	EMNRD
Red River, Town Of Conducting Wildland/Urban Interface (WUI) projects.	EMNRD	3/23/2004	12/31/9999	\$ 49,950	N/A	EMNRD

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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 Documents EMNRD's and the Town's commitment to wildland fire suppression.	EMNRD	4/28/2008	12/31/9999	\$ -	N/A	EMNRD

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

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

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

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		Beginning	Ending			
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
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



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		Beginning	Ending			
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
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

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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
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

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

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		Beginning	Ending			
County of Lea Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/2/2009	12/31/9999	\$ -	N/A	EMNRD
County of Union Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/2/2009	12/31/9999	\$ -	N/A	EMNRD
County of Taos Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/2/2009	12/31/9999	\$ -	N/A	EMNRD
County of Roosevelt Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	11/2/2009	12/31/9999	\$ -	N/A	EMNRD
County of Rio Arriba Documents EMNRD's and the County's commitment to wildland fire suppression, protection responsibilities, interagency cooperation and coordination, reimbursement for use of shared resources on wildfires, mutual wildfire suppression, management assistance, cooperation and use of federal excess property.	EMNRD	10/28/2009	12/31/9999	\$ -	N/A	EMNRD
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

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	Responsible Party	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
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
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
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
County of Taos Emphasizing improving watershed areas on public and private land, the development of defensible space for individual homeowners, development of fuel breaks along common boundaries between public and private land and assisting with thinning of lots and subdivisions.	EMNRD	2/20/2012	12/31/9999	\$ -	N/A	EMNRD
McKinley Soil and Water Conservation District Emphasizing improving watershed areas on public and private land, the development of defensible space for individual homeowners, development of fuel breaks along common boundaries between public and private land and assisting with thinning of lots and subdivisions.	EMNRD	3/7/2012	12/31/9999	\$ -	N/A	EMNRD
Quemado Soil and Water Conservation District Emphasizing improving watershed areas on public and private land, the development of defensible space for individual homeowners, development of fuel breaks along common boundaries between public and private land and assisting with thinning of lots and subdivisions.	EMNRD	4/11/2012	12/31/9999	\$ -	N/A	EMNRD
USDA/Cibola National Forest Complete tasks associated with trail planning, design and construction in the Mt. Taylor Ranger District.	EMNRD	8/8/2011	12/31/2014	\$ 370,000	N/A	EMNRD
New Mexico Department of Game & Fish Complete the purchase of two Zero X/MX electric motorcycles with additional batteries.	EMNRD	8/8/2011	12/31/2014	\$ 24,615	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, 2013**

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Department of Energy:		
State Energy Program	81.041	\$ 384,074
ARRA - State Energy Program	81.041	144,656
Waste Isolation Pilot Project	81.106	1,044,440
State Energy Program Special Projects	81.119	62,262
ARRA - Energy Assurance Planning	81.122	70,537
ARRA - Energy Efficient Conservation Block Grant	81.128	<u>841,169</u>
Total USDE		<u>2,547,138</u>
U.S. Department of Agriculture:		
Forest Service – Cooperative Forestry Assistance	10.664	5,682,042
Forest Service - Watershed Health Plan	10.902	30,652
ARRA - Forest Inventory/Hazardous Fuels	10.688	1,537,136
Forest Service - Watershed Restoration	10.693	-
Forest Service - Fire Reimbursement	10.unknown	<u>6,309,063</u>
Total USDA		<u>13,558,893</u>
U.S. Department of Homeland Security:		
U.S. Coast Guard Boating Safety Program	97.012	817,046
Emergency Management Performance	97.042	-
Fire Reimbursement	97.unknown	<u>245,987</u>
Total USDHS		<u>1,063,033</u>
U.S. Department of Transportation:		
Federal Highway Admin – National Trails Act	20.219	1,104,897
Federal Highway Admin – La Cueva	20.205	<u>643</u>
Total US DOT		<u>1,105,540</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
Year Ended June 30, 2013**

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Department of the Interior:		
Emergency Fire	15.unknown	238,743
National Park Service:		
Land and Water	15.916	<u>8,159</u>
Total National Park Service		<u>8,159</u>
Office of Surface Mining:		
Administration and Enforcement (Coal)	15.250	850,000
Abandoned Mine Land	15.252	<u>4,516,089</u>
Total Office of Surface Mining		<u>5,366,089</u>
Bureau of Land Management		
Ready Reserve	15.unknown	72,836
Woodland Restoration	15.233	45,981
Abandoned Mine Program	15.236	<u>-</u>
Total Bureau of Land Management		<u>118,817</u>
Bureau of Reclamation:		
Title 28 - Handicap Access	15.BBC	<u>139,103</u>
Total Bureau of Reclamation		<u>139,103</u>
US Fish & Wildlife Service:		
US Fish and Wildlife - Endangered Plants	15.615	62,830
US Fish and Wildlife - Sport Fish Restoration Program	15.605	135,986
US Fish and Wildlife - Inmate work camp	15.657	<u>3,335</u>
Total US Fish & Wildlife Service		<u>202,151</u>
Total U. S. Department of the Interior		<u>6,073,062</u>



STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
Year Ended June 30, 2013

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Environmental Protection Agency:		
Underground Injection Control Program	66.433	307,636
CMI Questa Mine Remedial Tech	66.802	13,713
 Total U.S. Environmental Protection Agency		 <u>\$ 321,349</u>
 <b>TOTAL</b>		 <u>\$ 24,669,015</u>
 Federal Revenue from Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		 <u>\$ 24,669,015</u>

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2013**

**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, 2013.

**LOANS**

The Department did not have any loans outstanding with the Federal government at June 30, 2013.

**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	\$ 528,730
Due to Other State Agency (GSD-ARRA)	-
Actual Cash Disbursed During the Fiscal Year	<u>\$ 528,730</u>
Waste Water Isolation Pilot Project: 81.106	\$ 1,044,440
Due to Other State Agency (Department of Health)	(10,466)
Due to Other State Agency (Environment Department)	(45,075)
Due to Other State Agency (Department of Public Safety)	(72,955)
Due to Other State Agency (DHSEM)	<u>(19,185)</u>
Actual Cash Disbursed During the Fiscal Year	<u>\$ 896,859</u>
Forest Inventory/Hazardous Fuels: 10.668	\$ 1,537,136
Accounts payable (Otero County)	-
Accounts payable (Lincoln County)	-
Accounts payable (Santa Clara)	<u>(210,244)</u>
Actual Cash Disbursed During the Fiscal Year	<u>\$ 1,326,892</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, in accordance with the 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, 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, of the State of New Mexico Energy, Minerals and Natural Resources Department (the Department) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Department, presented as supplementary information, and have issued our report thereon dated December 16, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**  
Albuquerque, New Mexico  
December 16, 2013

**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

**Report on Compliance for Each Major Federal Program**

We have audited the State of New Mexico Energy, Minerals, and Natural Resources Department's (the Department) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2013. The Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Department's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Department's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Department complied, in all material respects, with the types of 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, 2013.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, 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 items 2013-001 and 2013-002. Our opinion on each major federal program is not modified with respect to these matters.

The Department's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Department's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control over Compliance**

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Department's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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. *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.

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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-001 and 2013-002, which we consider to be significant deficiencies.

The Department's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Department's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**CliftonLarsonAllen LLP**

*CliftonLarsonAllen LLP*

Albuquerque, New Mexico  
December 16, 2013

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2013**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

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: Unmodified

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	Regulation of Surface Coal Mining
10.688	ARRA – Forest Inventory/Hazardous Fuels
15.252	Abandoned Mine Reclamation
81.106	Transport of Transuranic Waste
97.012	Boating Safety
81.128	ARRA - Energy Efficiency Block Grant

Dollar threshold used to distinguish between type A and type B programs \$740,070

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, 2013**

**Section II – Financial Statement Findings**

There were no findings for the year ended June 30, 2013.

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

**Finding 2013-001 Subrecipient Payment Made Twice (Significant Deficiency, Compliance)**

**Program:** CFDA #10.664 Cooperative Forestry Assistance

**Condition:** Out of twenty eight subrecipient payments tested, we noted that one reimbursement invoice had been paid twice to the subrecipient.

**Criteria:** Per NMAC 2.2.2.10.Q, internal controls must be in compliance with State Auditor requirements. Internal controls were not operating and subrecipients should only be paid once for costs incurred.

**Cause:** A new employee was not familiar with the internal format used to enter invoice numbers.

**Effect:** Overpayment of \$103

**Questioned costs:** \$103

**Recommendation:** We recommend that the Department communicate internal processes to new employees. The fiscal officer or other responsible party should review invoice numbers entered by new employees.

**Agency Response:**

SHARE maintains system controls to avoid duplicate payments by preventing the same invoice number from being paid. We were not consistent on our invoice number format entered in SHARE, therefore the payment was allowed to be processed through the system. We will standardize the invoice numbering format to improve controls to prevent duplicate payments. In addition, we will assure we control incoming invoices so that they do not get distributed for payment more than once. We have worked with the contractor to recover the \$103 duplicate payment. Allen Roybal, Deputy Director of the Forestry Division, is responsible and started the new process as soon as this overpayment was discovered.

**Finding 2013-002 Time and Labor Charging Practices (Significant Deficiency, Compliance)**

**Programs:** CFDA #81.106 Transport of Transuranic Wastes to the Waste Isolation Pilot Plant

**Condition:** During our testwork over payroll, it was discovered that employees dedicated to CFDA 81.106 did not certify time charged to the grant. The Department was unable to provide time certification for employees who spend 100% of time on this grant.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2013**

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

**Finding 2013-002 Time and Labor Charging Practices (Significant Deficiency, Compliance) (continued)**

**Criteria:**

Title 2 CFR Part 224, Appendix B – 8.h.(3)

Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

**Cause:** Lack of understanding of federal requirements.

**Effect:** As a result, the Department is not in compliance with federal regulations.

**Questioned costs:** None

**Recommendation:** We recommend that the Department require each employee working solely on federal programs to certify time at least semi-annually.

**Agency Response:**

While the agency sincerely appreciates the observation regarding time tracking, it is noted that the cognizant grantor agency (U.S. Department of Energy) has not instructed the agency to adjust the current protocols. Accordingly, the agency will seek additional clarification from the grantor agency prior to implementation of the audit recommendation, so as not to incur potential sanctions by the grantor agency drawn from the premature realignment of existing grantor-approved procedures. Eletha Trujillo, Program Manager of the grant, will implement this by March 31, 2014.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
June 30, 2013**

**Section II – Financial Statement Findings**

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

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

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

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

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.

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

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

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.

**STATE OF NEW MEXICO ENERGY, MINERALS,  
AND NATURAL RESOURCES DEPARTMENT  
EXIT CONFERENCE  
June 30, 2013**

An exit conference was held with the Department on December 6, 2013. The conference was held at the Department's offices in Santa Fe, New Mexico. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the release of the financial statements by the State Auditor. In attendance were:

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

Brett Woods, Deputy Cabinet Secretary  
Ronald Cruz, ASD Director  
Bersabe Rodriguez, Chief Financial Officer

**CLIFTONLARSONALLEN LLP**

Georgie Ortiz, CPA, CGFM, Principal  
Jennifer Cavanaugh, CPA, Senior Associate  
Jessica Mazzie, 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.