

**STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT**

Annual Financial Report
For the Year Ended June 30, 2009
(With Independent Auditor's Report Thereon)

INTRODUCTORY SECTION

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
June 30, 2009

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Table of Contents	ii
Official Roster	iv
 FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
 <u>Basic Financial Statements</u>	
Government-Wide Financial Statements:	
Statement of Net Assets	9
Statement of Activities	10
Governmental Funds Financial Statements:	
Balance Sheet	11
Reconciliation of the Governmental Funds Balance Sheet to the Government- Wide Statement of Net Assets	12
Statement of Revenues, Expenditures and Changes in Fund Balance	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	14
Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) - General Fund 04800	15
Major Governmental Funds:	
Special Revenue	
Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) (Multi-Year) Major Special Revenue Fund - Special Capital Outlay Fund 10000	16
Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) (Multi-Year) Major Special Revenue Fund - Special Capital Outlay Fund 10100	17
Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) (Multi-Year) Major Special Revenue Fund - Tribal Infrastructure Capital Projects Fund 42900	18
Notes to Financial Statements	19
 Combining and Individual Fund Financial Statements	
Non-Major Governmental Funds:	
Special Revenue Funds	
Combining Balance Sheet	40
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	41
Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) - Non-Major Special Revenue Fund - IAD Grant Fund 66700	42

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
June 30, 2009

Table of Contents (continued)

Statement of Revenues and Expenditures - Budget and Actual (Budgetary Basis) (Multi-Year) Non-Major Special Revenue Fund - Special Capital Outlay Fund 09900	43
--	----

SUPPLEMENTAL INFORMATION

Schedule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations	44
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	58
Schedule of Findings and Responses	60
Financial Statement Preparation and Exit Conference	64

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Official Roster
as of June 30, 2009

ADVISORY BOARD

<u>Name</u>		<u>Title</u>
Lawrence R. Lucero	Pueblo of Isleta	Chairman
Jackie Blaylock	Mescalero	Vice-Chair
Kurt Sandoval	Jicarilla Apache Nation	Secretary
Leroy Gabaldon	Member at Large	Treasurer
Michael Chavarria	Pueblo of Santa Clara	Member
Richard Begaye	Navajo Nation	Member
Raymond Gachupin	Pueblo of Jemez	Member
Vacant	Navajo Representative	Member
Wilson Ray	Navajo Nation	Member
Ki Tecumeseh	Winnebago	Member
T. Todacheeney/Resigned	Vacant	Member

ADMINISTRATIVE OFFICIALS

Alvin H. Warren	Cabinet Secretary
Marvis J. Aragon, Jr.	Deputy Secretary
Lillian Brooks	ASD Director, CFO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

December 8, 2009

Mr. Alvin H. Warren, Cabinet Secretary
New Mexico Indian Affairs Department
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the General Fund and major special revenue funds, and the aggregate remaining fund information of the State of New Mexico, Indian Affairs Department (Department), as of and for the year ended June 30, 2009, which collectively comprise the State of New Mexico, Indian Affairs Department's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the State of New Mexico, Indian Affairs Department's non-major governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the State of New Mexico, Indian Affairs Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2 A., the financial statements of the State of New Mexico, Indian Affairs Department are intended to present the financial position and changes in financial position of only that portion of the governmental activities and major fund information of the State of New Mexico that is attributable to the transactions of the State of New Mexico, Indian Affairs Department. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2009, and changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

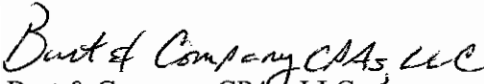
New Mexico Indian Affairs Department
December 8, 2009

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 State of New Mexico, Indian Affairs Department, as of June 30, 2009, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund of the State of New Mexico, Indian Affairs Department as of June 30, 2009, and the respective changes in financial position, thereof and the respective budgetary comparisons for the non-major governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2009 on our consideration of the State of New Mexico, Indian Affairs Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 8 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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


Burt & Company CPAs, LLC

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Management's Discussion and Analysis
June 30, 2009

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts — management's discussion and analysis (this section), the basic financial statements, required supplementary information, and a section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the Indian Affairs Department (Department).

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Department's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Department, reporting the Department's operations in more detail than the government-wide statements.
- The governmental funds statements tell how general government services (the primary functions of the Department) were financed in the short term as well as what remains for future spending.

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

REPORTING ON THE DEPARTMENT AS A WHOLE

Government-Wide Statements

The government-wide statements report information about the Department as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the Department's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Department's net assets and how they have changed. Net assets — the difference between the Department's assets and liabilities — is one way to measure the Department's financial health or position.

- Over time, increases or decreases in the Department's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the Department, you need to consider additional non-financial factors such as changes in the Department's funding or the addition of new programs.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Management's Discussion and Analysis (continued)
June 30, 2009

Reporting on the Department's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the Department's most significant funds. Funds are accounting devices that the Department uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law. The State Legislature also establishes other funds to control and manage money for particular purposes or to show that it is properly using certain grants or appropriations. The Department's funds are all governmental funds. The Balance Sheet and the Statement of Revenue, Expenditures and Changes in Fund Balance provide this information.

Governmental Funds — All of the Department's basic services are accounted for in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent pages that explain the relationships (or differences) between them.

The Department maintains its fund structure in the Statewide Human Resources, Accounting and Management Reporting (SHARE) System. The Department maintains the General Fund (Fund No. 04800) and six (6) special revenue funds as follows:

- Special Capital Outlay Fund (Fund No. 09900)
- Special Capital Outlay Fund (Fund No. 10000)
- Special Capital Outlay Fund (Fund No. 10100)
- Special Tribal Infrastructure Capital Projects Fund (Fund No. 42900)
- Special Capital Outlay Fund (Fund No. 53100)
- Special IAD Grant Fund (Fund No. 66700)

Financial Analysis of the Department as a Whole

Statement of Net Assets

A sharp decrease in capital appropriations statewide resulted in less funding for the department, while expenditures/disbursements to existing projects remained constant. In addition, a prior period adjustment in the amount of \$55,517 was posted to Fund 04800 resulting in a slight increase to beginning fund balance. Refer to Note 14 for detailed explanation. As a result, net assets have decreased by \$18,646,538 from a year ago, from \$48,650,868 to \$30,004,330. The major portion of net assets related to capital projects is now reflected as Fund Balance.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Management's Discussion and Analysis (continued)
June 30, 2009

The statement of net assets summarizes the Department's net assets for the fiscal year ending June 30, 2009. The following compares the current year with the prior year:

		<u>Net Assets</u> <u>Governmental Activities</u>		
		<u>FY2009</u>	<u>FY2008</u>	<u>Increase</u> <u>(Decrease)</u>
<u>Assets</u>				
Current assets	\$	39,230,500	55,908,778	(16,678,278)
Capital assets, net		<u>101,461</u>	<u>81,094</u>	<u>20,367</u>
Total assets		<u>39,331,961</u>	<u>55,989,872</u>	<u>(16,657,911)</u>
<u>Liabilities</u>				
Current liabilities		9,327,630	7,339,004	1,988,626
Long-term liabilities		<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>9,327,630</u>	<u>7,339,004</u>	<u>1,988,626</u>
<u>Net Assets</u>				
Investment in capital assets		101,461	81,094	20,367
Restricted		29,902,869	48,569,774	(18,666,905)
Unrestricted (deficit)		<u>-</u>	<u>-</u>	<u>-</u>
Total net assets	\$	<u>30,004,330</u>	<u>48,650,868</u>	<u>(18,646,538)</u>

Analysis of Financial Position (Statement of Net Assets)

Current assets decreased by \$16,657,911, or 70% from a year ago. This is mainly attributable to the decrease in cash by \$17,810,232 or 33%. The significant decrease was the result of a large volume of project activity in Fund 10000.

Current liabilities also significantly increased by \$ 1,988,627 or 21% from a year ago. This is mainly attributable to the increase in accounts payable by \$1,270,377, a large component of which is related to project recipients. In addition, a bank overdraft in Fund 10100 contributed to this increase in current liabilities. Liabilities of \$9,327,631 consist primarily of accounts payable (\$7,152,374), and "Due to the State General Fund" (\$766,271).

Net assets significantly decreased by \$18,646,538 from \$48,650,868 to \$30,004,330. This is a result of the high volume of project activity and decrease in funding. The majority of "Fund Balance," is restricted for subsequent year expenditures.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Management's Discussion and Analysis (continued)
June 30, 2009

Changes in Net Assets

The statement of activities summarizes the Department's changes in net assets for the fiscal year ending June 30, 2009. The following compares the current year with the prior year.

	<u>FY2009</u>	<u>FY2008</u>	<u>Increase (Decrease)</u>
Program revenues:			
Federal grants	\$ 38,920	-	38,920
Private gifts and grants	-	250	(250)
Total program and revenues	<u>38,920</u>	<u>250</u>	<u>38,670</u>
General revenues and transfers:			
Transfers:			
State general fund appropriations (net of reversions)	812,269	8,070,865	(7,258,596)
Severance tax bond appropriations	11,858,037	12,864,817	(1,006,780)
Other appropriations	524,800	528,200	(3,400)
Other	<u>(130,000)</u>	<u>(25,027)</u>	<u>(104,973)</u>
Total general revenues and transfers	<u>13,065,106</u>	<u>21,438,855</u>	<u>(8,373,749)</u>
Total program, general revenue and transfers	<u>13,104,026</u>	<u>21,439,105</u>	<u>(8,335,079)</u>
Expenses:			
General government	<u>31,806,081</u>	<u>32,685,437</u>	<u>(879,356)</u>
Changes in net assets	<u>(18,702,055)</u>	<u>(11,246,332)</u>	<u>(7,455,723)</u>
Beginning net assets, (as reported)	48,650,868	147,799	48,503,069
Restatement of net assets	<u>55,517</u>	<u>59,749,401</u>	<u>(59,693,884)</u>
Beginning net assets, as restated	<u>48,706,385</u>	<u>59,897,200</u>	<u>(11,190,815)</u>
Ending net assets	\$ <u>30,004,330</u>	<u>48,650,868</u>	<u>(18,646,538)</u>

The Department's governmental activities program revenue was significantly changed from a year ago, decreasing by \$38,670 from \$250 to \$38,920.

The Department's general revenue and transfers decreased by \$8,373,749, or 39%. This was the result of a decrease in legislative authorized State General Fund appropriations for capital projects of \$4,942,000, or 99%, from \$4,974,000 to \$32,000. Also, a decrease in legislative authorized bond proceeds appropriations and reauthorization for capital projects in Fund 42900 of \$1,977,964, or 60% from \$3,288,367 to \$1,310,403.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Management's Discussion and Analysis (continued)
June 30, 2009

The cost of governmental activities this year was \$31,806,081 compared to \$32,685,437 last year, or a significant decrease of \$879,356 (2.7%). The reason for the decrease was attributable to the decrease in capital project appropriations of State General Fund monies and bond sales, coupled with budget cuts in line with overall state trends.

As previously described above, net assets significantly decreased by \$18,646,538, the direct result of a steady outflow of capital project funds.

THE DEPARTMENT'S FUNDS

Governmental Funds

The focus of the Department's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. As mentioned previously, funds are used by the Department to keep track of specific sources of funding and spending for a particular purpose.

For the current year, the Department had seven governmental funds. Six of the Department's governmental funds are used to account for capital outlay projects of other entities funded either by State General Fund appropriations or by bond funds sold by the State Board of Finance. One of the Department's governmental funds is used to account for specific grants. The final governmental fund of the Department is its general fund, Fund 04800.

As the Department completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of \$29,942,895, which is significantly lower than last year's combined fund balance of \$48,585,819. The primary reason for the decrease in fund balance of \$18,642,924 is attributable to the large volume of capital project activity. The fund balances in the five capital outlay special revenue funds reflect \$29,942,895 in fund balances at year end.

The General Fund of the Department reflects a decrease in fund balance of \$1,131, from \$1,131 to \$0. Since the General Fund is a "reverting" fund, only balances appropriated into future fiscal years may be retained by the Department. The balance \$1,131 was reserved for prepaid postage. The Department reverted \$701,310 to the State General Fund from unused State General Fund appropriations, compared to \$499,599 in the prior year. Both revenues and expenditures remained fairly constant from the year before. State General Fund appropriations increased by \$58,200 from the previous year.

General Fund Budgetary Highlights

The State Legislature makes annual appropriations to the Department. Adjustments to the budget require approval by the Budget Division of the Department of Finance and Administration. Over the course of the year, the Department revised its budget. These budget adjustments fall into two categories:

1. Within Department budget transfer of appropriations to prevent budget overruns.
2. Budget increases for funds made available during the year.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Management's Discussion and Analysis (continued)
June 30, 2009

Analysis of Significant Budget Variations

The original General Fund budget was \$ 4,170,400. Budget adjustments were made between the other costs and contractual services expenditure categories. The Department increased the contractual services category by \$587,300 as a means of acquiring services needed by the Department and the other costs category was decreased by \$587,300. All budget increases and budget adjustments were approved by the State Budget Division of the Department of Finance and Administration.

Capital Assets and Debt Administration

Capital Assets

The Department's investments in capital assets for its governmental activities as June 30, 2009, amounts to \$101,461 (net of accumulated depreciation). This investment in capital assets consists mainly of furniture, fixtures, data processing equipment and automobiles. There was \$44,294 of additions, \$1,425 of capital asset deletions, and depreciation expense of \$23,927 during the fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Department's most significant change is the recommendation by the Executive Branch for a budget reduction of \$188,200 in General Fund below FY 2010 operating levels. The recommendation includes \$400,000 from the Tobacco Settlement Program Fund to continue the tobacco cessation and prevention programs for Native American communities (a reduction of \$100,000 from the current year). The recommendation also includes special appropriations of \$1,679,900 for tribes and pueblos. The department is anticipating a 20-23% decrease in total authorized capital projects for fiscal year 2010.

Contacting the Department's Financial Management

This financial report is designed to provide our citizens and taxpayers 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 the Department.

Indian Affairs Department
Wendell Chino Building
1220 South St. Francis Drive
Santa Fe, NM 87505

BASIC FINANCIAL STATEMENTS



STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>
Assets:	
Current assets:	
Investment in the State Treasurer General Fund Investment Pool	\$ 35,467,804
Due from other agencies	<u>3,762,696</u>
Total current assets	<u>39,230,500</u>
Total capital assets (net of accumulated depreciation)	<u>101,461</u>
Total assets	<u>\$ 39,331,961</u>
Liabilities:	
Current liabilities:	
Accounts payable	\$ 7,152,374
Bank overdraft	1,043,948
Accrued salaries payable	28,224
Payroll taxes payable	9,884
Payroll benefits payable	15,355
Due to State General Fund	766,271
Due to other state agencies	269,272
Other liabilities	2,276
Compensated absences - current	<u>40,026</u>
Total current liabilities	<u>9,327,630</u>
Net Assets:	
Invested in capital assets	101,461
Restricted for subsequent year's expenditure by enabling legislation	29,902,869
Unrestricted	<u>-</u>
Total net assets	<u>\$ 30,004,330</u>

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Statement of Activities
For the Year Ended June 30, 2009

	<u>Governmental Activities</u>
Expenses:	
Governmental activities:	
General government	\$ 31,782,154
Depreciation	<u>23,927</u>
Total expenses	<u>31,806,081</u>
Program revenues:	
Federal grants - operating	38,920
Private gifts and grants	<u>-</u>
Total program revenues	<u>38,920</u>
Net program (expenses) revenues	<u>(31,767,161)</u>
General revenues and transfers:	
Transfers:	
State General Fund appropriation	3,774,100
Severance tax bond appropriation	11,858,037
Other appropriations - compensation package	24,800
Other appropriations - Tobacco Settlement Funds	500,000
Other financing uses	(130,000)
Reversions to State General Fund - FY 2009	<u>(2,961,831)</u>
Total general revenues and transfers	<u>13,065,106</u>
Change in net assets	(18,702,055)
Net assets, beginning (as reported)	48,650,868
Restatement - prior period adjustment - (note 14)	<u>55,517</u>
Net assets, beginning (as restated)	<u>48,706,385</u>
Net assets, ending	\$ <u>30,004,330</u>

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds				Non-Major Funds	
	General Fund 04800	Special Capital Outlay Fund 10000	Special Capital Outlay Fund 10100	Tribal Infra- Structure Capital Fund 42900	Other Govern- mental Funds	Total Govern- mental Funds
Assets						
Investment in the State Treasurer						
General Fund Investment Pool	\$ 1,581,565	30,186,389	-	3,563,318	136,532	35,467,804
Due from other funds	37,875	-	-	46,095	-	83,970
Due from other state agencies	-	87,828	3,606,647	-	68,221	3,762,696
Prepaid expenses	-	-	-	-	-	-
Total assets	<u>\$ 1,619,440</u>	<u>30,274,217</u>	<u>3,606,647</u>	<u>3,609,413</u>	<u>204,753</u>	<u>39,314,470</u>
Liabilities						
Accounts payable	\$ 867,190	2,578,796	2,558,050	1,119,838	28,500	7,152,374
Bank overdraft	-	-	1,004,227	-	39,721	1,043,948
Accrued salaries payable	28,224	-	-	-	-	28,224
Payroll taxes payable	9,884	-	-	-	-	9,884
Payroll benefits payable	15,356	-	-	-	-	15,356
Deferred revenue	-	-	-	-	-	-
Other liabilities	2,276	-	-	-	-	2,276
Due to other funds	-	46,095	25,000	-	12,875	83,970
Due to State General Fund	696,510	69,761	-	-	-	766,271
Due to other state agencies	-	82,625	69,955	192	116,500	269,272
Total liabilities	<u>1,619,440</u>	<u>2,777,277</u>	<u>3,657,232</u>	<u>1,120,030</u>	<u>197,596</u>	<u>9,371,575</u>
Fund Balances						
Reserved for prepaid expenses	-	-	-	-	-	-
Reserved for subsequent years' expenditures	-	27,496,940	(50,585)	2,489,383	7,157	29,942,895
Unreserved-undesignated reported in:						
Special revenue funds	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>27,496,940</u>	<u>(50,585)</u>	<u>2,489,383</u>	<u>7,157</u>	<u>29,942,895</u>
Total liabilities and fund balances	<u>\$ 1,619,440</u>	<u>30,274,217</u>	<u>3,606,647</u>	<u>3,609,413</u>	<u>204,753</u>	<u>39,314,470</u>

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Assets
June 30, 2009

Total fund balance for the governmental funds (balance sheet)		\$ 29,942,895
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets and related accumulated depreciation used in governmental activities are not current financial resources and, therefore, are not reported in funds.		
These assets consist of:		
Furniture and fixtures	\$ 67,111	
Equipment and machinery	28,300	
Data processing equipment	19,279	
Automobiles	85,561	
Accumulated depreciation	<u>(98,790)</u>	101,461
Compensated absences are not due and payable in the current period, and therefore, are not reported in the funds.		
		<u>(40,026)</u>
Net assets of governmental activities (statement of net assets)		\$ <u>30,004,330</u>

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2009

	Major Funds				Non-Major	Total Govern- mental Funds
	General Fund 04800	Special Capital Outlay Fund 10000	Special Capital Outlay Fund 10100	Tribal Infra- Structure Capital Fund 42900	Other Govern- mental Funds	
Revenues:						
Intergovernmental:						
Federal grants - operating	\$ 38,920	-	-	-	-	38,920
Private gifts and grants	-	-	-	-	-	-
	<u>38,920</u>	-	-	-	-	<u>38,920</u>
Expenditures:						
General government:						
Current:						
Personal services	1,249,218	-	-	-	-	1,249,218
Contractual services	839,508	-	-	-	20,001	859,509
Other costs	1,528,138	13,480,233	10,493,525	4,119,050	28,500	29,649,446
Capital outlay	44,294	-	-	-	-	44,294
Total expenditures	<u>3,661,158</u>	<u>13,480,233</u>	<u>10,493,525</u>	<u>4,119,050</u>	<u>48,501</u>	<u>31,802,467</u>
Excess (deficiency) of revenues over expenditures	(3,622,238)	(13,480,233)	(10,493,525)	(4,119,050)	(48,501)	(31,763,547)
Other financing sources (uses):						
Transfers in (out):						
State General Fund appropriation	3,742,100	32,000	-	-	-	3,774,100
Severance tax bond appropriation	-	25,609	10,493,525	1,310,403	28,500	11,858,037
Other appropriations - compensation package	24,800	-	-	-	-	24,800
Other appropriations - tobacco settlement funds	500,000	-	-	-	-	500,000
Reversion to State General Fund - FY 2009	(701,310)	(2,209,744)	(50,585)	(192)	-	(2,961,831)
Operating transfers - (out) in	-	(130,000)	-	-	-	(130,000)
Total other financing sources (uses)	<u>3,565,590</u>	<u>(2,282,135)</u>	<u>10,442,940</u>	<u>1,310,211</u>	<u>28,500</u>	<u>13,065,106</u>
Net change in fund balance	<u>(56,648)</u>	<u>(15,762,368)</u>	<u>(50,585)</u>	<u>(2,808,839)</u>	<u>(20,001)</u>	<u>(18,698,441)</u>
Fund balances:						
Fund balance, beginning (as reported)	1,131	43,259,308	-	5,298,222	27,158	48,585,819
Restatement - prior-period adjustments (note 14)	55,517	-	-	-	-	55,517
Fund balance, beginning (as restated)	<u>56,648</u>	<u>43,259,308</u>	<u>-</u>	<u>5,298,222</u>	<u>27,158</u>	<u>48,641,336</u>
Fund balance, ending	\$ <u>-</u>	<u>27,496,940</u>	<u>(50,585)</u>	<u>2,489,383</u>	<u>7,157</u>	<u>29,942,895</u>

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2009

Net change in fund balance - Governmental Fund (Statement of Revenues, Expenditures and Changes in Fund Balance)		\$ (18,698,441)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Increase in compensated absences		(23,981)
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset purchases exceeded depreciation expense in the current period.		
Capital asset purchases	\$ 44,294	
Current period depreciation	<u>(23,927)</u>	<u>20,367</u>
Change in net assets of governmental activities (Statement of Activities)		\$ <u>(18,702,055)</u>

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis)
General Fund 04800
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		(Modified Accrual) Actual Budget Basis	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
State General Fund:				
General Fund appropriation	\$ 3,831,700	3,831,700	3,742,100	(89,600)
Federal funds:				
Intra-state federal grants	38,920	38,920	38,920	-
Other funds:				
Other gifts and grants	-	-	-	-
Other financing sources-transfers	<u>524,800</u>	<u>524,800</u>	<u>524,800</u>	<u>-</u>
Total revenues	4,395,420	4,395,420	4,305,820	(89,600)
Prior-year cash	<u>-</u>	<u>-</u>		
Total revenues budgeted	\$ <u>4,395,420</u>	<u>4,395,420</u>		
Expenditures:				
General government:				
Personal services and employee benefits	\$ 1,297,800	1,297,800	1,249,218	48,582
Contractual services	367,700	955,000	839,508	115,492
Other costs	<u>2,729,920</u>	<u>2,142,620</u>	<u>1,572,432</u>	<u>570,188</u>
Total expenditures	\$ <u>4,395,420</u>	<u>4,395,420</u>	<u>3,661,158</u>	<u>734,262</u>
Reconciliation of GAAP basis to budgetary basis revenue:				
GAAP basis revenue			\$ 4,305,820	
Adjustments: None			<u>-</u>	
Budget basis revenue			\$ <u>4,305,820</u>	
Reconciliation of GAAP basis to budgetary basis expenditures:				
GAAP basis expenditures			\$ 3,665,311	
Adjustments:				
Request to pay prior year expenditures			<u>(4,153)</u>	
Budget basis expenditures			\$ <u>3,661,158</u>	

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis) (Multi-Year)
Major Special Revenue Fund - Special Capital Outlay Fund 10000
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Project to Date Actual Budget Basis	Variance Favorable (Unfavorable)	<u>Current Year</u>
	<u>Original</u>	<u>Final</u>			
Revenues:					
State General Fund:					
General fund appropriation	\$ 32,000	32,000	32,000	-	32,000
Severance tax bond appropriations	-	-	25,609	25,609	25,609
Total revenues	32,000	32,000	<u>57,609</u>	<u>25,609</u>	<u>57,609</u>
Prior-year cash balance	<u>45,900,480</u>	<u>45,900,480</u>			
Total revenues budgeted	\$ <u>45,932,480</u>	<u>45,932,480</u>			
Expenditures:					
General government:					
Other costs	\$ 45,958,089	45,958,089	29,016,121	16,916,359	13,480,233
Other financing uses	-	-	-	-	-
Total expenditures	\$ <u>45,958,089</u>	<u>45,958,089</u>	<u>29,016,121</u>	<u>16,916,359</u>	<u>13,480,233</u>
Reconciliation of GAAP basis to budget basis revenue:					
GAAP basis revenue				\$ 57,609	
Adjustments:					
None					-
Budget basis revenue				\$ <u>57,609</u>	
Reconciliation of GAAP basis to budget basis expenditures:					
GAAP basis expenditures				\$ 13,480,233	
Adjustments:					
None					-
Budget basis expenditures				\$ <u>13,480,233</u>	

Note: The actual expenditures on the budgetary basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2009 budget.

There are 308 Special Capital Outlay Projects summarized in the statement above.

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis) (Multi-Year)
Major Special Revenue Fund - Special Capital Outlay Fund 10100
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Project to Date Actual Budget Basis	Variance Favorable (Unfavorable)	<u>Current Year</u>	
	<u>Original</u>	<u>Final</u>				
Revenues:						
Other funds:						
Severance tax bond appropriations	\$	<u>43,953,170</u>	<u>43,953,170</u>	<u>29,847,841</u>	<u>14,105,329</u>	<u>10,493,525</u>
Total revenues		<u>43,953,170</u>	<u>43,953,170</u>	<u>29,847,841</u>	<u>14,105,329</u>	<u>10,493,525</u>
Prior-year fund balance		<u>-</u>	<u>-</u>			
Total revenues budgeted	\$	<u>43,953,170</u>	<u>43,953,170</u>			
Expenditures:						
General government:						
Other costs	\$	<u>43,953,170</u>	<u>43,953,170</u>	<u>21,869,737</u>	<u>22,083,433</u>	<u>10,493,525</u>
Total expenditures	\$	<u>43,953,170</u>	<u>43,953,170</u>	<u>21,869,737</u>	<u>22,083,433</u>	<u>10,493,525</u>
Reconciliation of GAAP basis to budget basis revenue:						
GAAP basis revenue					\$ 10,493,525	
Adjustments:						
Revenue recognition of capital project appropriations at the time eligibility requirements have been met					<u>(4,606,005)</u>	
Budget basis revenue					\$ <u>5,887,520</u>	
Reconciliation of GAAP basis to budget basis expenditures:						
GAAP basis expenditures					\$ 10,493,525	
Adjustments:						
None					<u>-</u>	
Budget basis expenditures					\$ <u>10,493,525</u>	

Note: The actual expenditures on the budgetary basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2009 budget.

There are 174 Special Capital Outlay Projects summarized in the statement above.

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Statement of Revenues and Expenditures
Budget and Actual (Budgetary Basis) (Multi-Year)
Major Special Revenue Fund - Tribal Infrastructure
Capital Projects Fund 42900
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Project to Date Actual Budget Basis	Variance Favorable (Unfavorable)	<u>Current Year</u>	
	<u>Original</u>	<u>Final</u>				
Revenues:						
Other funds:						
Severance tax bond appropriations	\$	5,000,000	5,000,000	9,664,865	4,664,865	6,310,403
Other financing sources-transfers		-	-	-	-	-
Total revenues		5,000,000	5,000,000	<u>9,664,865</u>	<u>4,664,865</u>	<u>6,310,403</u>
Prior-year fund balance		<u>5,298,222</u>	<u>5,298,222</u>			
Total revenues budgeted	\$	<u>10,298,222</u>	<u>10,298,222</u>			
Expenditures:						
General government:						
Other costs	\$	<u>10,298,222</u>	<u>10,298,222</u>	9,118,827	1,179,395	4,119,050
Total expenditures	\$	<u>10,298,222</u>	<u>10,298,222</u>	<u>9,118,827</u>	<u>1,179,395</u>	<u>4,119,050</u>
Reconciliation of GAAP basis to budget basis revenue:						
GAAP basis revenue					\$ 1,310,403	
Adjustments:						
Revenue recognition of capital projects at time eligibility requirements have been met						<u>5,000,000</u>
Budget basis revenue					\$	<u>6,310,403</u>
Reconciliation of GAAP basis to budget basis expenditures:						
GAAP basis expenditures					\$	4,119,050
Adjustments:						
None						-
Budget basis expenditures					\$	<u>4,119,050</u>

Note: The actual expenditures on the budgetary basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2009 budget.

There are 37 Capital Projects summarized in the statement above.

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements
June 30, 2009

1. History and Functions

The Indian Affairs Department (Department) was established by the Laws of 1975 as a component unit of the State of New Mexico. The forty-sixth legislature, first session passed House Bill 585, which elevated the Office of Indian Affairs to a cabinet-level department to be led by a Secretary. The effective date of House Bill 565 was June 30, 2003. Subsequently, the Governor of the State of New Mexico issued Executive Order No. 2003-022, which among other things elevated the Office of Indian Affairs to a cabinet-level department. The Office of Indian Affairs is now known as the Indian Affairs Department, which is led by a Secretary, subject to the advice and consent of the senate, Legislation approving the executive reorganization of the Office of Indian Affairs was signed into law during the forty-sixth legislature, second session.

2. Summary of Significant Accounting Policies

The financial statements of the Indian Affairs Department have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Department applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 to the government-wide financial statements, unless they conflict with GASB pronouncements. The more significant of the Department's accounting policies are described below:

A. Reporting Entity and Component Units

The Department is a department of the primary government, the State of New Mexico. These financial statements present the financial position and results of operations of only those *Statewide Human Resources, Accounting and Management Reporting System* (SHARE) funds over which the Indian Affairs Department has oversight responsibility. The Department does not have any component units.

As a component unit of the State of New Mexico, a phase one government, the Department was required to implement GASB Statement 34, Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments in fiscal year 2002.

The Department is a user organization of the Statewide Human Resource, Accounting, and Management Reporting System. The service organization is the Department of Finance and Administration (DFA).

B. Basic Financial Statements - Government-Wide Statements

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

2. Summary of Significant Accounting Policies (continued)

B. Basic Financial Statements - Government-Wide Statements (continued)

wide and fund financial statements categorize primary activities as either governmental or business type. The Department is a single purpose government entity and has no business type activities. Government-wide financial statements exclude information about fiduciary funds. In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reflected on the full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The Department's net assets are reported in three parts: invested in capital assets, restricted net assets, and unrestricted net assets. When applicable, the effect of inter-fund activity between two funds is removed from the Statement of Net Assets in order to avoid a grossing-up effect on the assets and liabilities within the statement.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government), which are otherwise supported by general government revenues. The Statement of Activities reduces gross expense (including depreciation expense on capital assets) by related program revenues, operating and capital grants. Program revenue must be directly associated with the function (general government). Program revenues include: 1) charges to applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The appropriation from the State General Fund not included among program revenues is reported instead as general revenue. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB 33. The revenue recognition policy for grants is when the eligibility requirements have been met, and costs have been incurred.

The net cost by function is normally covered by general revenue.

The government-wide focus is more on the sustainability of the Department as an entity and the change in the Department's net assets resulting from the current year's activities.

Restricted net assets are those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted. Generally, the Department would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

2. Summary of Significant Accounting Policies (continued)

C. Basic Financial Statements - Fund Financial Statements

The fund financial statements are similar to the financial statements presented in previous years. Emphasis is on the major funds of the governmental category. Non-major funds are summarized into a single column. The Department's major funds are its general fund and three special revenue funds (capital outlay funds 10000 and 10100 and Tribal Infrastructure Capital Fund 42900).

The governmental funds in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed more appropriate to demonstrate legal and covenant compliance, to demonstrate the source and use of liquid resources and to 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 of the government-wide presentation.

The focus is on the Department as a whole and the fund financial statements, including the major individual funds of the governmental category.

The financial transactions of the Department are recorded in individual 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, expenditures or expenses and other financing sources or uses. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The new model sets forth the minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category or the governmental and enterprise combined) for the determination of major funds. The Department, at its discretion, may elect to present a fund as a major fund. The non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The Department uses the following fund types:

GOVERNMENTAL FUND TYPES

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

2. Summary of Significant Accounting Policies (continued)

C. Basic Financial Statements - Fund Financial Statements (continued)

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. Revenues are recognized as soon as they are both measurable and available. Due to their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures of fund liabilities.

General Fund - The General Fund is the general operating fund of the Department. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is made up of the following SHARE funds.

General Operating (Fund 04800) - The operating account for the Department. Except for special appropriations, which may extend into subsequent fiscal years, this is a reverting fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Department's Special Revenue Funds are as follows:

Special Capital Outlay Fund (Fund 09900) - This fund is used to account for capital outlay projects appropriated by Laws of 1999. Unexpended funds revert at the end of the authorization period.

Special Capital Outlay Fund (Fund 10000) - This fund is used to account for capital outlay projects appropriated from the general fund from the Laws of 2004-2009. Unexpended funds revert at the end of the authorization period.

Special Capital Outlay Fund (Fund 10100) - This fund is used to account for capital outlay projects appropriated from severance tax bonds issued from the Laws of 2004-2009. Unexpended funds revert at the end of the authorization period.

Special Tribal Infrastructure Capital Projects (Fund 42900) - This fund is used to account for a capital outlay projects appropriated from the general fund and from severance tax bonds from the Laws of 2007-2009. Unexpended funds revert at the end of the authorization period.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

2. Summary of Significant Accounting Policies (continued)

C. Basic Financial Statements - Fund Financial Statements (continued)

Special Capital Outlay Fund (Fund 53100) - This fund is used to account for capital outlay projects appropriated by Laws of 1998. Unexpended funds revert at the end of the authorization period.

Special IAD Grant Fund (Fund 66700) — This fund is used to account for private gifts and grants. Unexpended funds revert at the end of the authorization period.

D. Basis of Accounting

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

The government-wide financial statements are presented using the “economic resources” measurement focus and the accrual basis of accounting. The governmental funds in the fund financial statements are presented on a current financial resource focus using the modified accrual basis of accounting. Under the accrual method of accounting, revenues are recognized when earned and expenditures are recognized when incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated. In the Statement of Activities, internal balances have been eliminated.

All governmental funds utilize the modified accrual basis of accounting. Under this method, 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 current fiscal period; available meaning collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions 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. Revenues are available if collected within sixty days of the end of the fiscal year. All other revenues are recognized when they are received and are not susceptible to accrual.

Expenditures are recorded as liabilities when incurred. An exception to this general rule is that accumulated unpaid annual, compensatory and certain sick leave are accrued as current liabilities, in the government-wide financial statements. Expendi-

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

2. Summary of Significant Accounting Policies (continued)

D. Basis of Accounting (continued)

tures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB Statement No. 33, Accounting and Financial Reporting for Non-Exchange Transactions, the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time, requirements, are met. Resources transmitted before the eligibility requirement are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

E. Budgets and Budgetary Accounting

The State Legislature makes annual appropriations to the Department for general operating expenses which lapse at fiscal year end. Legal compliance is monitored through the establishment of a budget and a financial control system, which permits a budget-to-actual expenditure comparison. Expenditures may not legally exceed appropriations for each budget at the appropriation unit level. Budgeted appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico, Department of Finance and Administration, within the limitations as specified in the General Appropriation Act. The budget amounts shown in the financial statements are the original and final authorized amounts as legally revised during the year.

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

1. No later than September 1, the Department prepares a budget request by appropriation unit to be presented to the next legislature.
2. The appropriation request is submitted to the Department of Finance and Administration’s Budget Division (DFA) and the Legislative Finance Committee (LFC).
3. DFA makes recommendations and adjustments to the appropriation request which become the Governor’s proposal to the legislature.
4. LFC holds hearings on the appropriation request, also submitting recommendations and adjustments before presentation to the Legislature for approval of the final budget plan.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting (continued)

5. Budgetary control is exercised by the Department at the appropriation unit level. Budget Adjustment Requests (BARs) are approved by the DFA Budget Division.

6. The budget for the General Fund and all special revenue funds are adopted on a modified accrual basis of accounting. Per the General Appropriations Act, Laws of 2006, Chapter 109, Section 3, Subsections O and N, the budgetary basis is modified accrual. However, there is a statutory exception. The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable require approval to pay prior year bills out of the FY2009 budget. At June 30, 2009, there was an amount of \$4,153.

Each year the Legislature approves multiple year appropriations, which the State considers as continuing appropriations. The Legislature authorizes these appropriations for two to five years; however, it does not identify the authorized amount by fiscal year. Consequently, the appropriation is budgeted in its entirety the first year the Legislature authorizes it. The unexpended portion of the budget is carried forward as the next year's beginning budget balance until either the project period has expired or the appropriation has been fully expended. The budget presentations in these financial statements are consistent with this budgeting methodology.

7. The original budgets differ from the final budgets presented in the budget comparison statements by amendments made during the fiscal year.

8. Appropriations lapse at the end of the fiscal year except for those amounts related to unexpended valid encumbrances.

In accordance with the requirements of Section 2.2.2.10.A (2) (b) of 2.2.2 NMAC Requirements for Contracting and Conducting Audits of Agencies and the allowance made by GASB 34, footnote 53, the budgetary comparison statements for major funds have been included as part of the basic financial statements.

F. Accrued Compensated Absences

Qualified employees accumulate annual leave as follows:

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

2. Summary of Significant Accounting Policies (continued)

F. Accrued Compensated Absences (continued)

<u>Years of Service</u>	<u>Hours Earned Per Month</u>	<u>Days Earned Per Month</u>	<u>Days of Maximum Accrual</u>
1-3	6.67	0.83	30
4-6	8.00	1.00	30
7-10	9.99	1.25	30
11-14	12.00	1.50	30
15th/Beyond	13.33	1.67	30

Thirty days of accrued annual leave may be carried forward into the beginning of the next calendar year and any excess is forfeited. When employees terminate, they are compensated for accumulated annual leave as of the date of termination, up to a maximum of thirty (30) days. Accrued annual leave is recorded as a liability in the government-wide financial statements.

Employees who have over 600 hours of accumulated sick leave can receive payment for hours over 600, up to 120 hours on July 1 or January 1 of each year. However, sick leave is paid at fifty percent of the employee's regular hourly wage. At retirement, employees can receive fifty percent payment for up to 400 hours for the hours over 600 hours of accumulated sick leave. Therefore, the only leave which has been accrued represents the hours earned at June 30, 2009, over 600 hours up to 120 hours per employee. Expenditures for accumulated sick pay for hours under 600 hours will be recognized as employees take such absences. Accrued vested sick pay is recorded as a liability in the government-wide financial statements.

Fair Labor Standards Act (FLSA) nonexempt employees accumulate compensatory time at the rate of 1.5 times the number of hours worked, in excess of forty hours per week, based on their regular hourly rate. Exempt and classified employees who are FLSA exempt accumulate compensatory time at the same rate as the number of hours worked. Overtime must be pre-approved by management. Payment of this liability can be made by compensated leave time or cash payment.

In accordance with GASB 16, accrued compensated absences consist of accumulated annual leave, sick leave between 600 and 720 hours, and compensatory leave for employees, including the related employers' matching FICA and Medicare payroll taxes.

G. Reservations and Designations - Fund Balance

Reservations of fund balance in the governmental fund statements are created to either 1) satisfy legal covenants that require that a portion of the fund balance be segregated, or 2) identify the portion of the fund balance that is not appropriated for future expenditures.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

2. Summary of Significant Accounting Policies (continued)

G. Reservations and Designations - Fund Balance (continued)

Reserved for Subsequent Year's Expenditures - This reserve was created to represent appropriations made for capital projects that extend beyond the current fiscal year. This amount is also presented as a part of restricted net assets in the Statement of Net Assets.

H. Net Assets

The government-wide financial statements utilize a net asset presentation. Net assets are categorized as investments in capital assets (net of related debt), restricted and unrestricted.

Investment in Capital Assets - Is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding capital asset related debt.

Restricted Assets - are liquid assets (generated from revenues and not bond proceeds appropriations), which have third-party (statutory enabling legislation or granting agency) limitation on their use, and which are legally enforceable as to their use.

Unrestricted Assets - represent unrestricted liquid assets.

The Department allocates expenses to restricted or unrestricted resources based on the budgeted source of funds.

I. Use of Estimates

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

J. Capital Assets

Capital assets of the Department include data processing equipment, furniture and fixtures, equipment and automobiles. The Department does not have any infrastructure. Capital assets are defined in Section 12-6-10 NMSA 1978. Section 12-6-10 NMSA 1978, was amended effective June 19, 2005, changing the capitalization threshold of movable chattels and equipment from items costing more than \$1,000 to items costing more than \$5,000. The Department has adopted this change in an accounting estimate, per Accounting Principles Board (APB) 20. Old inventory items that do not meet the new capitalization threshold will remain on the inventory list

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

2. Summary of Significant Accounting Policies (continued)

J. Capital Assets (continued)

and continue to be depreciated. Any items received after July 1, 2005, will be added to the inventory only if they meet the new capitalization policy. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Computer software which is purchased with data processing computer equipment is included as part of the capitalized computer equipment in accordance with 2.20.1.9 C (5). The cost of maintenance and repairs that do not add to the asset value or materially extend assets lives are not capitalized. The Department does not undertake major capital projects involving interest costs during the construction phase. There is no debt related to the capital assets. Capital assets of the Department are depreciated using zero salvage value and the straight-line method over the following estimated useful lives:

	Years
Furniture and fixtures	10
Equipment and machinery	5
Automobiles	5
Data processing equipment	3

The Department utilizes facilities and buildings that are owned by the Property Control Division of the State of New Mexico, General Services Department. These assets and the related depreciation expense are not included in the accompanying financial statements. GASB 34 requires the recording and depreciation of infrastructure assets, such as roads, bridges, etc. The Department does not own any infrastructure assets.

3. Cash and Collateral

Cash accounts on deposit with the State Treasurer in the General Fund Investment Pool consist of the following:

SHARE				
Account	Account Name	Balance Per	Balance per	
Number		Treasurer	Books	
04800	NM Office of Indian Affairs	\$ 1,580,772	1,581,565	
10000	IAD Capital Projects-General Fund	30,167,047	30,186,389	
53100	OIA/Capital Projects-Laws of 1998	116,500	116,500	
42900	Tribal Infrastructure Fund	3,563,318	3,563,318	
66700	Grants for IAD	20,032	20,032	
		\$ 35,447,669	35,467,804	

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

3. Cash and Collateral (continued)

Cash accounts on deposit with the New Mexico State Treasurer do not require collateral to be pledged because they are deposits with another governmental entity. The Department is not authorized to make investments. However, certain cash accounts are authorized to earn interest and are deposited by DFA into the New Mexico State Treasurer's Office Interest Bearing Pool. The pool invests in repurchase agreements secured at 102% by U.S. Treasury notes and bills, certificates of deposit, and other interest bearing instruments. Because all monies are held by another governmental entity, Governmental Accounting Standards Board Statement #3, "Deposit with Financial Institutions Investments (Including Repurchase Agreements)," and "Reverse Purchase Agreements" is not applicable. Deposits do not have to be classified according to custodial credit risk.

The State Treasurer has the power to invest money held in demand deposits and not immediately needed for the operation of state government in securities in accordance with Sections 6-10-10 I through P, NMSA 1978, as amended. The State Treasurer with the advice and consent of the state board of finance can invest money held in demand deposits and investments not immediately needed for the operation of state government in:

- a. Securities issued by the United States (U.S.) government or by its departments or agencies and direct obligations of the U.S. or are backed by the full faith and credit of the U.S. government or agencies sponsored by the U.S. government;
- b. Contracts for the present purchase and resale at a specified time in the future, not to exceed one year or, in the case of bond proceeds appropriations, not to exceed three years, of specific securities at specified prices at a price differential representing the interest income to be earned by the state. No such contract shall be invested in unless the contract is fully secured by obligations of the United States of other securities backed by the United States having a market value of at least one hundred two percent of the amount of the contract;
- c. Contracts for the temporary exchange of state-owned securities for the use of broker-dealers, banks or other recognized institutional investors in securities, for periods not to exceed one year for a specified fee rate. No such contract shall be invested in unless the contract is fully secured by exchange of an irrevocable letter of credit running to the state, cash or equivalent collateral of at least one hundred two percent of the market value of the securities plus accrued interest temporarily exchanged. The collateral required for either of the forms of investment in sections (b) and (c) shall be delivered to the fiscal agent of New Mexico or its designee contemporaneously with the transfer of funds or delivery of the securities at the earliest time industry practice permits, but in all cases, settlement shall be on the same-day basis. Neither of the contracts in (b) or (c) shall be invested in unless the contracting bank, brokerage firm or recognized institutional investor has a net worth in excess of five hundred million dollars;

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

3. Cash and Collateral (continued)

- d. Any of the following investments in an amount not to exceed forty percent of any fund that the state treasurer invests: (1) commercial paper rated ‘prime’ quality by a national rating service, issued by corporations organized and operating within the U.S.; (2) medium-term notes and corporate notes with a maturity not exceeding five years that are rated A or its equivalent or better by a nationally recognized rating service and that are issued by a corporation organized and operating in the U.S.; or (3) an asset-backed obligation with a maturity not exceeding five years that is rated MA or its equivalent by a nationally recognized rating service;
- e. Shares of a diversified investment company registered pursuant to the federal Investment Company Act of 1940 that invests in U.S. fixed income securities or debt instruments authorized pursuant to (a), (b) and (d) above provided that the investment company has total assets under management of at least one billion dollars and the investments made by the State Treasurer pursuant to this paragraph are less than five percent of the assets of the investment company; or
- f. Individual, common or collective trust funds of banks or trust companies that invest in U.S. fixed income securities or debt instruments authorized pursuant to (a), (b) and (d) above provided that the investment manager has assets under management of at least one billion dollars and the investments made by the state treasurer pursuant to this paragraph are less than five percent of the assets of the individual, common or collective trust fund.

No public funds can be invested in negotiable securities or loans to financial institutions fully secured by negotiable securities at current market value shall be paid out unless there is a contemporaneous transfer of the securities at the earliest time industry practice permits, but in all cases, settlement shall be on a same-day basis either by physical delivery or, in the case of uncertificated securities, by appropriate book entry on the books of the issuer, to the purchaser or to a reputable third-party safekeeping financial institution acting as agent or trustee for the purchaser, which agent or trustee shall furnish timely confirmation to the purchaser.

For additional GASB 40 disclosure Information regarding cash held by the State Treasurer, the reader should see the separate audit report for the State Treasurer’s Office for the fiscal year ended June 30, 2009.

4. Due From/To Other State Agencies

The following are short-term amounts owed between other state agencies and are classified as follows:

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

4. Due From/To Other State Agencies (continued)

	<u>Purpose</u>	<u>Due From</u>	<u>Due To</u>
<u>Fund 09900 - Capital Outlay Fund</u>			
DFA/BOF 34100/01900	Severance tax bond proceeds	\$ 68,221	-
<u>Fund 10000 - Special Capital Outlay Fund</u>			
DFA/BOF 34100/01900	Severance tax bond proceeds	87,828	-
DFA	Reauthorized Tribal Infrastructure funds transfer	-	82,625
<u>Fund 42900 - Tribal Infrastructure Fund</u>			
DFA 36900/85300	Reversion to State General Fund for expired capital outlay projects	-	192
<u>Fund 10100 - Special Capital Outlay Fund</u>			
DFA/BOF 34100/01900	Severance tax bond proceeds	3,606,647	
	Refund overpaid capital outlay projects from fiscal year 2001	-	69,955
<u>Fund 53100 - Special Capital Outlay Fund</u>			
DFA/BOF 34100/01900	Revert state-docketed warrants carried forward from fiscal year 2005	-	116,500
		<u>\$ 3,762,696</u>	<u>269,272</u>

All balances due from other State Agencies are deemed to be fully collectible; no allowance for uncollectible amounts has been established.

An amount of \$69,555 is due to the New Mexico State Board of Finance for refunds of overpaid capital outlay projects in fund 10100 from fiscal year 2007, and \$116,500 is due to the New Mexico State Board of Finance for stale-dated warrants which has been carried forward since the 2005 fiscal year. Subsequent to year end, the department initiated an operating transfer of \$116,500 to the State Board of Finance to clear that amount.

5. Capital Assets

The capital asset activity for the governmental activities for the year ended June 30, 2009, is as follows:

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

5. Capital Assets (continued)

	Governmental Activities			
	Beginning			Ending
	Balance			Balance
	July 1, 2008	Additions	Deletions	June 30, 2009
Cost				
Furniture and fixtures	\$ 54,517	12,594	-	67,111
Equipment and machinery	20,800	7,500	-	28,300
Data processing equipment	20,704	-	(1,425)	19,279
Automobiles	<u>61,361</u>	<u>24,200</u>	<u>-</u>	<u>85,561</u>
Total capital assets	<u>157,382</u>	<u>44,294</u>	<u>(1,425)</u>	<u>200,251</u>
Accumulated depreciation				
Furniture and fixtures	(18,390)	(5,053)	-	(23,443)
Equipment and machinery	(2,040)	(6,602)	-	(8,642)
Data processing equipment	(20,705)	-	1,425	(19,280)
Automobiles	<u>(35,153)</u>	<u>(12,272)</u>	<u>-</u>	<u>(47,425)</u>
Total accumulated depreciation	<u>(76,288)</u>	<u>(23,927)</u>	<u>1,425</u>	<u>(98,790)</u>
Net assets	<u>\$ 81,094</u>	<u>20,367</u>	<u>-</u>	<u>101,461</u>

The Department does not have any debt related to capital assets. Depreciation expense for the year was \$23,927.

6. Compensated Absences Payable

Employees are entitled to accumulate annual leave at a graduated rate based on years of service. In addition, employees may accumulate sick leave and compensatory leave. A maximum of 240 hours (30 days of annual leave) can be carried forward at calendar year end. The Department has recognized a liability of \$40,026 in the Statement of Net Assets for compensated absences based on current pay rates and hours accumulated at June 30, 2009.

A summary of changes in the compensated absences payable for the year ended June 30, 2009, is as follows:

	Balance June			Balance June	Current
	30, 2008	Additions	Deletions	30, 2009	Portion
Current compensated absences payable	\$ <u>16,045</u>	<u>61,498</u>	<u>(37,517)</u>	<u>40,026</u>	<u>40,026</u>

Compensated absences are usually paid with state general fund appropriations out of the General Fund, SHARE Fund 04800. The Department considers the compensated absence balances to be a current liability on the statement of net assets.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

7. Reversions - Due to State General Fund

Unexpended cash balances at year end of State General Fund monies appropriated to the Department are reverted to the State General Fund, unless otherwise specified in the appropriation language.

The General Fund 04800 receives a State General Fund appropriation annually. Any unexpended funds at the end of the year revert to the State General Fund. In 2009, the Department was appropriated \$500,000 from the tobacco settlement fund in addition to the general fund appropriation of \$3,742,100. The Indian Affairs Department was also appropriated \$24,800 to the General Operating Fund for fiscal year 2009 from the Compensation Package. Included in the general fund appropriation, the Department received special appropriations totaling \$272,000 authorized by the Laws 2008, Section 5, for various projects authorized throughout the State. Unexpended balances in this appropriation remaining at the end of the year revert to the State General Fund. Any other revenue received in the fund, which is not specifically appropriated by the legislature, also reverts to the State General Fund.

	<u>General Fund</u>
Cash on deposit, June 30, 2009	\$ 1,581,565
Add: due from other funds	37,875
Add: due from other state agencies (DFA Central Payroll)	-
Less: accounts payable	(867,190)
Less: accrued payroll	(28,224)
Less: payroll benefits payable	(9,884)
Less: payroll taxes payable	(15,356)
Less: other liabilities	(2,276)
Due to State General Fund	\$ 696,510

Source of reversions amounts to budget fiscal year are as follows:

Budget fiscal year ended:	
June 30, 2009	\$ <u>696,510</u>
	\$ <u><u>696,510</u></u>

A partial payment of reversions for the current-year for the general fund appropriations in the amount of \$409,155 were remitted subsequent to year end. The Department intends to pay the balance within the 45 day period after the audit to remain in compliance with statutory requirements.

8. Restricted Net Assets/Fund Balances

The government-wide statement of net assets reports \$29,902,869 of restricted net assets, all of which is restricted by enabling legislation.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

8. Restricted Net Assets/Fund Balances (continued)

During FY 2009, the department reauthorized a General Fund project and reverted funds from a General fund project, both of which were established in this fund before it was converted to accounting strictly for severance tax bond projects. Thus, the fund shows a negative fund balance of (\$50,585). Under normal circumstances, a severance tax bond fund should not reflect a fund balance.

9. Accrued Salaries Payable

A portion of payroll expenditures pertaining to the year ended June 30, 2009, was paid on July 3, 2009 and July 17, 2009. Since the disbursements did not occur until subsequent to June 30, 2009, accrued salaries payable totaling \$28,224 has been reflected in the statement of net assets.

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

Funding Policy - Plan members are required to contribute 7.42% of their gross salary. The Department is required to contribute 16.59% of the gross covered salary. The contribution requirements of plan members and the Department's 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, 2009, 2008, and 2007 were \$144,329, \$123,993, and \$99,493, respectively, which equal the amount of the required contributions for each fiscal year.

11. 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 depen-

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

11. Post Employment Benefits - State Retiree Health Care Plan (continued)

dents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998, are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The Department's contributions to the RHCA for the years ended June 30, 2009, 2008, and 2007 were \$11,310, \$9,554, and \$7,303, respectively, which equal the required contributions for each year.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

12. Special Appropriations-General Fund (Authorized by Laws 2007, Ch. 21, Sec. 20)

Purpose	Laws	Amount
<u>Fund 04800 - General Fund</u>		
Development of tribal court systems, promote Indian law and policy development and training	2008, Ch. 6, Sec. 21	\$ 50,000
Economic development activities	2008, Ch. 6, Sec. 21	47,000
Youth conservation program at Navajo Nation	2008, Ch. 6, Sec. 21	10,000
Casamero lake watershed restoration	2008, Ch. 6, Sec. 21	15,000
Native American cultural education for youths	2008, Ch. 6, Sec. 21	5,000
Native American performing arts	2008, Ch. 6, Sec. 21	20,000
Distance education program	2008, Ch. 6, Sec. 21	30,000
Transit program	2008, Ch. 6, Sec. 21	10,000
Youth development programs	2008, Ch. 6, Sec. 21	15,000
Tohatchi youth development programs	2009, Ch. 124, Sec. 5	50,000
Jemez pueblo Utilities	2009, Ch. 124, Sec. 5	20,000
		<u>\$ 272,000</u>

A balance of \$44,430 was unexpended at June 30, 2009 and is due to the State General Fund.

13. Risk Management

The Department obtains coverage through Risk Management Division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance, and state unemployment.

These coverages are designed to satisfy the requirements of the State Tort Claims Act. All employees of the Department are covered by blanket fidelity bond up to \$5,000,000 with a \$1,000 deductible per occurrence by the State of New Mexico for the period July 1, 2008, through June 30, 2009.

14. Restatement of Fund Balances (Net Assets) at June 30, 2008 – Prior Period Adjustments

SHARE			
Fund Name	Fund No.	Amount	Explanation of Prior-Period Adjustment
General Fund	04800		Grant revenues were understated by \$38,920 in fiscal year 2008 as \$29,190 was recorded as deferred income and \$9,310 was not accrued for, which resulted in the understating of net assets and fund balance of \$38,500, respectively.
		\$ 38,500	

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

14. Restatement of Fund Balances (Net Assets) at June 30, 2008 – Prior Period Adjustments (continued)

Fund Name	Fund No.	Amount	Explanation of Prior-Period Adjustment
General Fund	04800		Amount recorded to accrued payroll at June 30, 2007 was not reversed into income during fiscal year 2008. As a result of the restatement, the June 30, 2008 fund balance in the General Operating Fund was decreased by \$17,017, and the net assets of the governmental activities were decreased by \$17,017.
		<u>17,017</u>	
Total	\$	<u>55,517</u>	

15. Transfer To/From Other Agencies

From Agency/Fund	To Agency/Fund	Purpose	Amount
36900/85300	DFA	60900/04800 IAD	\$ 3,470,100
		State General Fund Appropriation	272,000
		State General Fund Special Appropriations	500,000
		Other funds - Tobacco Settlement Funds	
34100/62000	DFA	60900/04800 IAD	24,800
		Appropriations-Compensation Package	
34100/62000	IAD	60900/04800 DFA	(4,800)
		Reversion to State General Fund	
60900/10000	IAD	36900/85300 DFA	(2,209,744)
		Partial Reversion to State General Fund - FY2007	
60900/10000	IAD	36900/85300 DFA	(50,585)
		Reversion to State General Fund	
36900/85300	DFA	60900/10000 IAD	32,000
		State General Fund Appropriation - Capital Projects	
34100/01900	DFA/BOF	60900/10000 IAD	25,609
		Bond Proceeds Appropriation - Severance Tax Bonds Project	
34100/01900	DFA/BOF	60900/10100 IAD	5,887,520
		Bond Proceeds Appropriation - Severance Tax Bonds Project	
34100/01900	DFA/BOF	60900/42900 IAD	1,310,403
		Bond Proceeds Appropriation - Severance Tax Bonds Project	-
60900/10000	IAD	36900/85300 DFA	(130,000)
		Pay Back Emergency Loan for Picaris Pueblo	
60900/09900	IAD	36900/85300 DFA	(192)
		Reversion to State General Fund	
34100/01900	DFA/BOF	60900/09900 IAD	109,311
		Bond Proceeds Appropriation-Severance Tax Bond Project	

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

16. Inter-fund Receivables and Payables

	Purpose		Due From		Due To
<u>Fund 04800 - General Fund</u>					
Due from Fund 10100	Expenditure paid out of wrong fund	\$	25,000		-
Due from Fund 66700	Expenditure paid out of wrong fund		12,875		-
<u>Fund 10000 - Special Capital Outlay Fund</u>					
Due to Fund 42900	Unused State General Fund capital project monies due to Tribal Infrastructure Fund per state statute		-		46,095
<u>Fund 42900 - Tribal Infrastructure Fund</u>					
Due from Fund 10000	Unused State General Fund capital project monies due from Special Capital Outlay Fund per state statute		46,095		-
<u>Fund 10100 - Special Capital Outlay Fund</u>					
Due to Fund 04800	Expenditure paid out of wrong fund		-		25,000
<u>Fund 66700 - IAD Grant Fund</u>					
Due to Fund 04800	Expenditure paid out of wrong fund		-		12,875
		\$	83,970		83,970

Due from and due to other funds represent interfund receivables and payables arising from interdepartmental transactions. These amounts have been eliminated on the government-wide statement. All balances are expected to be paid within one year from the date of the financial statements.

17. Joint Powers Agreements

The Department has entered into a Joint Powers Agreement with each entity who has been awarded funding for capital projects. The Schedule of Capital Projects – Severance Tax appropriations and General Fund appropriations provide a schedule of capital projects and the entity's name.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Notes to Financial Statements (continued)
June 30, 2009

18. New Accounting Pronouncement

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The provisions are effective for the Department for periods beginning after June 15, 2010. Management does not expect implementation of this Statement to have a material effect on the financial statements.

19. Subsequent Events

The Department has evaluated subsequent events through December 8, 2009, the date which the financial statements were available to be issued.

20. Commitments and Contingencies

Capital Project Funding – The Department has future commitments to fund projects through June 30, 2012. These future project commitments are listed in detail in the Schedule of Capital Projects – Severance Tax Appropriations and State General Fund Appropriations.

Legal Proceedings – The Department is involved in legal proceedings pertaining to a \$450,000 Professional Services Contract awarded to and paid to a film production company to create an educational documentary film regarding the contribution of the Navajo Code Talkers in World War II. The production company has disputed the State's ownership of the product. The Department intends to contest the case and feels there is a high likelihood of a favorable outcome, which would result in the department maintaining ownership of the rights of the documentary film.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Combining Balance Sheet – Non-Major Funds
Governmental Funds
June 30, 2009

	<u>Special Revenue Funds</u>			
	Special		Special	
	Capital	IAD	Capital	
	Outlay	Grant	Outlay	
	Fund	Fund	Fund	
	<u>09900</u>	<u>66700</u>	<u>53100</u>	<u>Total</u>
Assets				
Investments in the State Treasurer General				
Fund Investment Pool	\$ -	20,032	116,500	136,532
Due from other state agencies	<u>68,221</u>	<u>-</u>	<u>-</u>	<u>68,221</u>
Total assets	<u>\$ 68,221</u>	<u>20,032</u>	<u>116,500</u>	<u>204,753</u>
Liabilities				
Accounts payable	\$ 28,500	-	-	28,500
Bank overdraft	39,721	-	-	39,721
Due to other funds	-	12,875	-	12,875
Due to other state agencies	<u>-</u>	<u>-</u>	<u>116,500</u>	<u>116,500</u>
Total liabilities	<u>68,221</u>	<u>12,875</u>	<u>116,500</u>	<u>197,596</u>
Fund Balances/Net Assets				
Fund balance:				
Unreserved/undesignated	<u>-</u>	<u>7,157</u>	<u>-</u>	<u>7,157</u>
Total fund balances	<u>-</u>	<u>7,157</u>	<u>-</u>	<u>7,157</u>
Total liabilities and fund balances	<u>\$ 68,221</u>	<u>20,032</u>	<u>116,500</u>	<u>204,753</u>

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Non-Major Funds
Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds			
	Special Capital Outlay Fund 09900	IAD Grant Fund 66700	Special Capital Outlay Fund 53100	Non-Major Governmental Funds
Expenditures:				
General government:				
Contractual services	\$ -	20,001	-	20,001
Other costs	<u>28,500</u>	<u>-</u>	<u>-</u>	<u>28,500</u>
Total expenditures	<u>28,500</u>	<u>20,001</u>	<u>-</u>	<u>48,501</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,501</u>
Other financing sources (uses):				
Bond proceeds appropriations	<u>28,500</u>	<u>-</u>	<u>-</u>	<u>28,500</u>
Total other financing sources (uses)	<u>28,500</u>	<u>-</u>	<u>-</u>	<u>28,500</u>
Net change in fund balance	-	(20,001)	-	(20,001)
Fund balance, beginning	<u>-</u>	<u>27,158</u>	<u>-</u>	<u>27,158</u>
Fund balance, ending	<u>\$ -</u>	<u>7,157</u>	<u>-</u>	<u>7,157</u>

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Statement of Revenues and Expenditures – Budget and Actual
(Budgetary Basis)
Non-Major Special Revenue Fund - IAD Grant Fund 66700
For the Year Ended June 30, 2009

	Budgeted Amounts		Actual Budget	Variance
	Original	Final	Basis	Favorable (Unfavorable)
Revenues:				
Other funds:				
Private gifts and grants	\$ -	-	-	-
Total revenues	-	-	-	-
Prior-year cash	43,544	43,544		
Total revenues budgeted	\$ 43,544	43,544		
Expenditures:				
General government:				
Contractual services	\$ -	-	-	-
Other costs	43,544	43,544	20,011	23,533
Total expenditures	\$ 43,544	43,544	20,011	23,533
Reconciliation of GAAP basis to budget basis expenditures:				
GAAP basis expenditures				
Adjustments:			\$ 20,011	
None			-	
Budget basis expenditures			\$ 20,011	

Note: The actual expenditures on the budgetary basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2009 budget.

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Statement of Revenues and Expenditures –
Budget and Actual (Budgetary Basis) (Multi-Year)
Non-Major Special Revenue Fund - Special Capital Outlay Fund 09900
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Project to Date Actual Budget Basis	Variance Favorable (Unfavorable)	Current Year
	<u>Original</u>	<u>Final</u>			
Revenues:					
Other funds:					
Severence tax bond appropriations	\$	<u>28,500</u>	<u>28,500</u>	-	<u>28,500</u>
Total revenues		<u>28,500</u>	<u>28,500</u>	<u>-</u>	<u>28,500</u>
Prior-year fund balance		<u>-</u>	<u>-</u>		
Total revenues budgeted	\$	<u>28,500</u>	<u>28,500</u>		
Expenditures:					
General government:					
Other costs	\$	<u>28,500</u>	<u>28,500</u>	<u>547,528</u>	<u>(519,028)</u>
Total expenditures	\$	<u>28,500</u>	<u>28,500</u>	<u>547,528</u>	<u>(519,028)</u>
Reconciliation of GAAP basis to budget basis revenue:					
GAAP basis revenue				\$	28,500
Adjustments:					
Revenue recognition of capital project appropriation at time eligibility requirements have been met					<u>-</u>
Budget basis revenue				\$	<u>28,500</u>
Reconciliation of GAAP basis to budget basis expenditures:					
GAAP basis expenditures				\$	28,500
Adjustments:					
Prior-year expenditures					<u>-</u>
Budget basis expenditures				\$	<u>28,500</u>

Note: The actual expenditures on the budgetary basis do not include any accounts payable that required a request to pay prior-year bills out of the FY 2009 budget.

There is 1 Capital Project summarized in the statement above.

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

SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schdule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
								Or Reauth.	Expended	Uncommitted Balance
1	100	0696	04-0696	Shiprock Chapter Navajo Nation Streetlights	Navajo Nat.	CapProj/04	6/30/2009	\$ 122,000	-	122,000
2	100	0688	04-0688	Crownpoint Ch. SubOffice Navajo Vet Affairs	Navajo Nat.	CapProj/04	6/30/2009	40,000	-	40,000
3	100	2086	04-2086	Shiprock Ch. Muni Street Lighting System	Navajo Nat.	CapProj/04	6/30/2009	150,000	-	150,000
4	100	2090	04-2090	Chichiltah Ch. House Improv./Equip.	Navajo Nat.	CapProj/04	6/30/2009	30,000	-	30,000
5	100	2096	04-2096	Chichiltah Ch.-Bldg/Heat/Plumbing Repairs	Navajo Nat.	CapProj/04	6/30/2009	30,000	-	30,000
6	100	0699	04-0699	Lake Valley Ch. Power Line	Navajo Nat.	CapProj/05R	6/30/2009	50,000	-	50,000
7	100	2725	04-2725	Santa Ana Pue improve plygrnd equip & outdoor fac	19 Pueblos	CapProj/05R	6/30/2009	25,000	24,993	7
8	100	0672	04-0672	Church Rock Ch. Study, plan & construct flood control	Navajo Nat.	CapProj/07R	6/30/2011	50,000	-	50,000
9	100	0682	04-0682	Mexican Springs Ch. Multipurpose Facility expand	Navajo Nat.	CapProj/07R	6/30/2011	50,000	-	50,000
10	100	0678	04-0678	Rock Springs Ch. p/d/c infrastructure rec & mltprrs fac	Navajo Nat.	CapProj/08 R	6/30/2010	50,000	-	50,000
11	100	3196	03-1813	Manuelito Chapter Powerline Extension	Navajo Nat.	CapProj/08 R	6/30/2010	55,000	6,983	48,017
12	100	0668	04-0668	Breadsprings Ch. Parking Lot Improv. Proj.	Navajo Nat.	CapProj/09 R	6/30/2011	50,000	-	50,000
13	100	0675	04-0675	Crownpoint Ch. - Vet. Affairs Office	Navajo Nat.	CapProj/09 R	6/30/2011	50,000	-	50,000
14	100	0677	04-0677	Twin Lakes Ch. Govt. Off. Complex Plan/Design	Navajo Nat.	CapProj/09 R	6/30/2011	50,000	-	50,000
15	100	0680	04-0680	Tsa-ya-toh Chapter Multipurpose Building	Navajo Nat.	CapProj/09 R	6/30/2011	50,000	-	50,000
16	100	0683	04-0683	Pueblo Pintado Ch. Ph. 4 Power Line Ext.	Navajo Nat.	CapProj/09 R	6/30/2011	80,000	-	80,000
17	100	0697	04-0697	Naschitti Ch. Envir. Study/ROW Powerline Ext.-Blue Rock Area	Navajo Nat.	CapProj/09 R	6/30/2011	50,000	-	50,000
18	100	0701	04-0701	Huerfano Ch. Adobe Overhead Powerline Ext.	Navajo Nat.	CapProj/09 R	6/30/2011	50,000	-	50,000
19	100	0702	04-0702	Dine College to plan, design & construct	Other	CapProj/09 R	6/30/2009	500,000	494,407	5,593
20	100	2094	04-2094	Tsayatoh Ch.-Bldg/Heat/Plumbing Repairs	Navajo Nat.	CapProj/09 R	6/30/2011	30,000	-	30,000
21	100	2095	04-2095	Bread Springs Ch.-Bldg/Heat/Plumbing Repairs	Navajo Nat.	CapProj/09 R	6/30/2011	30,000	-	30,000
22	100	2107	04-2107	White Horse Lake Chapter Water Line	Navajo Nat.	CapProj/09 R	6/30/2011	344,000	-	344,000
23	100	5233	05-1233	Red Lake Ch. Community Center Renov.	Navajo Nat.	GF/05	6/30/2010	50,000	-	50,000
24	100	5239	05-1239	Red Rock Ch. Bathroom Additions	Navajo Nat.	GF/05	6/30/2010	48,000	42,837	5,163
25	100	5241	05-1241	Chichiltah Ch. Power Line Extension	Navajo Nat.	GF/05	6/30/2010	60,000	-	60,000
26	100	5244	05-1244	Crownpoint IT Classrm Bldg/Modular	Other	GF/05	6/30/2010	775,000	51,800	723,200
27	100	5246	05-1246	Nageezi Ch. Water Line Ext./Bthrm Add.	Navajo Nat.	GF/05	6/30/2010	70,000	68,066	1,934
28	100	5247	05-1247	Pueblo Pintado Ch. Home Wiring	Navajo Nat.	GF/05	6/30/2010	31,122	13,446	17,676
29	100	5249	05-1249	White Horse Lake Ch. Powerlines	Navajo Nat.	GF/05	6/30/2010	34,011	-	34,011
30	100	5250	05-1250	Tohatchi Ch. Home Wiring and Connections	Navajo Nat.	GF/05	6/30/2010	84,000	-	84,000
31	100	5251	05-1251	Torreon Ch. Powerlines/Home Wiring	Navajo Nat.	GF/05	6/30/2010	77,200	61,273	15,927
32	100	5254	05-1254	Lake Valley Ch. Home Wiring/Pwerline Ext.	Navajo Nat.	GF/05	6/30/2010	40,000	-	40,000
33	100	5271	05-1271	Santo Domingo Pueblo Reg. Infra. Devel.	19 Pueblos	GF/05	6/30/2010	50,000	28,058	21,942
34	100	5280	05-1280	Counselor Powerline Extensions	Navajo Nat.	GF/05	6/30/2010	50,826	-	50,826
35	100	5291	05-1291	Ramah Ch. Detention Facility	Navajo Nat.	GF/05	6/30/2010	25,000	-	25,000
36	100	5294	05-1294	Iyanbito Ch. House Bathroom Additions	Navajo Nat.	GF/05	6/30/2010	10,000	1,935	8,065

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schdule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
								Or Reauth.	Expended	Uncommitted Balance
37	100	5299	05-1299	Tsa-Ya-Toh Ch. Powerline Proj. Improv.	Navajo Nat.	GF/05	6/30/2010	25,000	-	25,000
38	100	5301	05-1301	White Horse Lake Ch. Water Line	Navajo Nat.	GF/05	6/30/2010	300,000	9,360	290,640
39	100	5302	05-1302	Nahodishgish Ch. Road Proj. Right of Way	Navajo Nat.	GF/05	6/30/2010	200,000	-	200,000
40	100	5305	05-1305	Santa Clara Pueblo Cultural Ctr. Improv.	19 Pueblos	GF/05	6/30/2010	25,000	23,581	1,419
41	100	5308	05-1308	Nageezi Ch. Multiuse Ctr. Improvements	Navajo Nat.	GF/05	6/30/2010	100,000	-	100,000
42	100	5311	05-1311	Newcomb Ch. Power Line Extensions	Navajo Nat.	GF/05	6/30/2010	125,000	-	125,000
43	100	5312	05-1312	Sanostee Ch. House - Plan/Design	Navajo Nat.	GF/05	6/30/2010	60,000	-	60,000
44	100	061294	06-1294	Isleta Pueblo Judicial Complex	19 Pueblos	GF/06	6/30/2010	125,000	35,337	89,663
45	100	061300	06-1300	Indian Pueblo Fed DVL P Corp	Other	GF/06	6/30/2010	100,000	-	100,000
46	100	061302	06-1302	Ramah Chp Powerline Extend	Navajo Nat.	GF/06	6/30/2010	150,000	-	150,000
47	100	061303	06-1303	Ramah Chp Detention Facility	Navajo Nat.	GF/06	6/30/2010	50,000	-	50,000
48	100	061313	06-1313	Acoma Pueblo Modular Home	19 Pueblos	GF/06	6/30/2010	175,000	168,933	6,067
49	100	061318	06-1318	Laguna Pueblo Community Center Renovate	19 Pueblos	GF/06	6/30/2010	50,000	-	50,000
50	100	061319	06-1319	Laguna Pueblo Community Buildings Improv	19 Pueblos	GF/06	6/30/2010	75,000	71	74,929
51	100	061321	06-1321	Bread Springs Chp House Complx Park Lot	Navajo Nat.	GF/06	6/30/2010	75,000	-	75,000
52	100	061322	06-1322	Chichiltah Chp Powerline Extension	Navajo Nat.	GF/06	6/30/2010	200,000	-	200,000
53	100	061323	06-1323	Crownpoint Chp East Navajo Vtrn Agency	Navajo Nat.	GF/06	6/30/2010	35,000	29,396	5,604
54	100	061324	06-1324	Casamero Lake Chp Bathroom Construct	Navajo Nat.	GF/06	6/30/2010	125,000	121,938	3,062
55	100	061326	06-1326	Crownpoint Chp Wellness Ctr. Construction	Navajo Nat.	GF/06	6/30/2010	200,000	3,731	196,269
56	100	061327	06-1327	Red Lake Chp Farm Board Office Bldg	Navajo Nat.	GF/06	6/30/2010	50,000	21,601	28,399
57	100	061328	06-1328	Manuelito Chp Powerline Construct	Navajo Nat.	GF/06	6/30/2010	75,000	-	75,000
58	100	061329	06-1329	Navajo Nation Translator System Upgrade	Navajo Nat.	GF/06	6/30/2010	100,000	-	100,000
59	100	061330	06-1330	Bread Springs Chp Powerline Extend	Navajo Nat.	GF/06	6/30/2010	26,000	11,440	14,560
60	100	061332	06-1332	Bread Springs Chp House Improve	Navajo Nat.	GF/06	6/30/2010	15,500	-	15,500
61	100	061333	06-1333	Bread Springs Chp Bathroom Additions	Navajo Nat.	GF/06	6/30/2010	35,000	33,531	1,469
62	100	061335	06-1335	Pueblo Pintado Chp Sewer Lagoon	Navajo Nat.	GF/06	6/30/2010	140,000	-	140,000
63	100	061337	06-1337	Chichiltah Chp Vet/Warehouse/Admin Comp	Navajo Nat.	GF/06	6/30/2010	25,000	-	25,000
64	100	061341	06-1341	Red Rock Chp Powerline Extensions Constru	Navajo Nat.	GF/06	6/30/2010	50,000	-	50,000
65	100	061342	06-1342	Red Rock Chp Modular Off Bldg Purch/Install	Navajo Nat.	GF/06	6/30/2010	25,000	-	25,000
66	100	061346	06-1346	Pinedale Chp Powerline Extend/House Wiring	Navajo Nat.	GF/06	6/30/2010	60,000	39,756	20,244
67	100	061347	06-1347	Mariano Lake Chp Bathrooms	Navajo Nat.	GF/06	6/30/2010	75,000	70,435	4,565
68	100	061351	06-1351	Zuni Pueblo Utility Facilities	19 Pueblos	GF/06	6/30/2010	100,000	13,082	86,919
69	100	061354	06-1354	Smith Lake Chp Veterans Hall	Navajo Nat.	GF/06	6/30/2010	425,000	394,407	30,593
70	100	061356	06-1356	Navajo Nation Water Stations System	Navajo Nat.	GF/06	6/30/2010	200,000	-	200,000
71	100	061359	06-1359	Navajo Nation Seniors Home Modifications	Navajo Nat.	GF/06	6/30/2010	100,000	-	100,000
72	100	061361	06-1361	Navajo Nation Road Yards	Navajo Nat.	GF/06	6/30/2010	100,000	-	100,000

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schdule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
								Or Reauth.	Expended	Uncommitted Balance
73	100	061364	06-1364	Ohkay Owingeh Library Renovate	19 Pueblos	GF/06	6/30/2010	197,500	148,828	48,672
74	100	061368	06-1368	Ohkay Owingeh Art Piece	19 Pueblos	GF/06	6/30/2010	15,000	12,500	2,500
75	100	061372	06-1372	Nenahnezad Chp Mltprps Facility Construct	Navajo Nat.	GF/06	6/30/2010	20,000	-	20,000
76	100	061374	06-1374	Huerfano Chp Overhead Powerline Extension	Navajo Nat.	GF/06	6/30/2010	100,000	-	100,000
77	100	061375	06-1375	Newcomb Chp Powerline Extend	Navajo Nat.	GF/06	6/30/2010	200,000	-	200,000
78	100	061376	06-1376	San Juan Chp Mltprps Site Improve	Navajo Nat.	GF/06	6/30/2010	50,000	-	50,000
79	100	061381	06-1381	Nenahnezad Chp Veterans Park Renovate	Navajo Nat.	GF/06	6/30/2010	50,000	-	50,000
80	100	061382	06-1382	Shiprock Chp Military Cemetary Improv	Navajo Nat.	GF/06	6/30/2010	300,000	-	300,000
81	100	061383	06-1383	Lake Valley Chp Bathrooms for Homes	Navajo Nat.	GF/06	6/30/2010	75,000	45,136	29,864
82	100	061386	06-1386	Beclabito Chp Bathroom Additions	Navajo Nat.	GF/06	6/30/2010	160,000	-	160,000
83	100	061387	06-1387	Whiterock Chp Bathroom Additions	Navajo Nat.	GF/06	6/30/2010	125,000	80,586	44,414
84	100	061388	06-1388	Shiprock Chp Multipurpose Facility	Navajo Nat.	GF/06	6/30/2010	200,000	14,530	185,471
85	100	061389	06-1389	Five Sandoval Indian Pueblos Facility	Other	GF/06	6/30/2010	500,500	32,243	468,257
86	100	061390	06-1390	Santo Domingo Pue construct EMS & Fire Sta Fac	19 Pueblos	GF/06	6/30/2011	200,000	-	200,000
87	100	061392	06-1392	Santa Ana Pueblo Multiprps Ed & Wellness	19 Pueblos	GF/06	6/30/2010	160,000	158,400	1,600
88	100	061393	06-1393	San Felipe Pueblo Water & Construct	19 Pueblos	GF/06	6/30/2010	100,000	23,037	76,963
89	100	061394	06-1394	Jemez Pueblo Sewer Pipe Replace	19 Pueblos	GF/06	6/30/2010	100,000	70,747	29,253
90	100	061396	06-1396	Zia Pueblo Ambulatory Care Facility Constru	19 Pueblos	GF/06	6/30/2010	500,000	312,641	187,359
91	100	061400	06-1400	Jemez Pueblo Housing Improve	19 Pueblos	GF/06	6/30/2010	200,000	102,599	97,401
92	100	061402	06-1402	Cochiti Pueblo Health Clinic Improv	19 Pueblos	GF/06	6/30/2010	150,000	-	150,000
93	100	061405	06-1405	Tesuque Pueblo Educational Facility	19 Pueblos	GF/06	6/30/2010	50,000	1,704	48,296
94	100	061407	06-1407	Tesuque Pueblo Intergenerational Ctr	19 Pueblos	GF/06	6/30/2010	170,000	1,704	168,296
95	100	061414	06-1414	Crownpoint Internet to Hogans Access	Other	GF/06	6/30/2010	1,300,000	755,048	544,952
96	100	3214	03-0044	Zuni Pueblo Youth Ctr to p/d/c	19 Pueblos	GF/06 R	6/30/2010	25,000	-	25,000
97	100	5263	05-1263	Nenahnezad Ch. Repair chapter building roof	Navajo Nat.	GF/06 R	6/30/2011	20,000	-	20,000
98	100	0928	05-0928	Burnham Ch. Veteran's Multiplex Bldg.	Navajo Nat.	GF/07	6/30/2010	265,000	-	265,000
99	100	074629	07-4629	Indian Pueblo Cultural Center p/d/c reno, equip, improv	Other	GF/07	6/30/2011	352,697	334,305	18,392
100	100	074631	07-4631	Isleta Pueblo p/d/c library education center	19 Pueblos	GF/07	6/30/2011	700,000	11,540	688,460
101	100	074632	07-4632	Isleta Pueblo p/d/c judicial complex	19 Pueblos	GF/07	6/30/2011	100,000	-	100,000
102	100	074633	07-4633	Isleta Pueblo construct a Mousetown neighborhood Park	19 Pueblos	GF/07	6/30/2011	75,000	68,224	6,776
103	100	074636	07-4636	To'hajiilee Ch. p/d/c water line system linking ABQ sys	Navajo Nat.	GF/07	6/30/2011	150,000	-	150,000
104	100	074637	07-4637	Acoma Pueblo p/d/c & renovate cmplx/boy's & girls club	19 Pueblos	GF/07	6/30/2011	250,000	209,376	40,624
105	100	074639	07-4639	Acoma Pueblo p/d/c & renovate skyline lagoon system	19 Pueblos	GF/07	6/30/2011	50,000	-	50,000
106	100	074640	07-4640	Acoma Pueblo p/d/c wastewater treatment facility	19 Pueblos	GF/07	6/30/2011	75,000	71,673	3,327
107	100	074641	07-4641	Laguna Pueblo purchase, install & equip health center	19 Pueblos	GF/07	6/30/2009	75,000	-	75,000
108	100	074642	07-4642	Laguna Pueblo p/d/c veterans services facility	19 Pueblos	GF/07	6/30/2011	40,000	-	40,000

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schedule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
								Or Reauth.	Expended	Uncommitted Balance
109	100	074643	07-4643	Laguna Pueblo p/d/c improvements to public water sys	19 Pueblos	GF/07	6/30/2011	100,000	-	100,000
110	100	074648	07-4648	Ramah Ch. Purchase & install info technology	Navajo Nat.	GF/07	6/30/2011	25,000	21,112	3,888
111	100	074651	07-4651	Raman Ch. Powerlines in unit 5 area	Navajo Nat.	GF/07	6/30/2011	25,000	1,500	23,500
112	100	074652	07-4652	Ramah Ch. p/d/c telephone lines	Navajo Nat.	GF/07	6/30/2011	25,000	-	25,000
113	100	074653	07-4653	Fort Defiance Ch. Construct bathroom additions	Navajo Nat.	GF/07	6/30/2011	38,750	-	38,750
114	100	074654	07-4654	Navajo Nation p/d/c/e transportation building	Navajo Nat.	GF/07	6/30/2011	500,000	62,728	437,272
115	100	074655	07-4655	Baca Ch. p/d/c purchase & install bathroom additions	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000
116	100	074656	07-4656	Becenti Ch. p/d/c bathroom additions	Navajo Nat.	GF/07	6/30/2011	50,000	33,771	16,229
117	100	074657	07-4657	Breadsprings Ch. d/c bathroom additions	Navajo Nat.	GF/07	6/30/2011	29,000	-	29,000
118	100	074658	07-4658	Baahaali Ch. (Breadsprings Ch) p/d/c improvements ch house	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000
119	100	074660	07-4660	Breadsprings Ch. p/d/c powerline extensions	Navajo Nat.	GF/07	6/30/2011	114,000	-	114,000
120	100	074661	07-4661	Baahaali Ch (Breadsprings Ch) p/d/c/e addition to ch hse	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000
121	100	074662	07-4662	Baahaali Ch.(Breadsprings Ch.) Maintenance patrol yard	Navajo Nat.	GF/07	6/30/2011	75,000	-	75,000
122	100	074663	07-4663	Casamero Lake Ch. p/d/c bathroom additions	Navajo Nat.	GF/07	6/30/2011	50,000	46,379	3,621
123	100	074664	07-4664	Casamero Lake Ch. Design, construct renov warehouse	Navajo Nat.	GF/07	6/30/2011	45,000	-	45,000
124	100	074665	07-4665	Church Rock Ch. Plan & design tourism complex	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000
125	100	074667	07-4667	Coyote Canyon Ch. Renovate & expand ch. House	Navajo Nat.	GF/07	6/30/2011	100,000	-	100,000
126	100	074668	07-4668	Crownpoint Inst. Of Tech. Internet to Hogan	Other	GF/07	6/30/2011	500,000	33,043	466,957
127	100	074669	07-4669	Crownpoint Wellness Center Construct	Navajo Nat.	GF/07	6/30/2011	450,000	-	450,000
128	100	074671	07-4671	Navajo Technical College p/d/c/e/f Internet to Hogans	Other	GF/07	6/30/2011	550,000	37,392	512,608
129	100	074672	07-4672	Crownpoint Ch. p/d/c bathroom additions	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000
130	100	074673	07-4673	Crownpoint Ch. p/d/c powerline extension	Navajo Nat.	GF/07	6/30/2011	60,000	-	60,000
131	100	074674	07-4674	Crownpoint Ch. p/d/c/e/f eastern Navajo admin complex	Navajo Nat.	GF/07	6/30/2011	100,000	-	100,000
132	100	074675	07-4675	Dine College p/d/c expansion educational facility	Other	GF/07	6/30/2011	225,000	-	225,000
133	100	074676	07-4676	Iyanbito Ch. p/d/c improvement community well	Navajo Nat.	GF/07	6/30/2011	200,000	-	200,000
134	100	074677	07-4677	Iyanbito Ch. Renovate, equip & furnish ch house	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000
135	100	074678	07-4678	Iyanbito & Perea Head Start sewage system	Navajo Nat.	GF/07	6/30/2011	60,000	-	60,000
136	100	074679	07-4679	Iyanbito p/d/c/e warehouse	Navajo Nat.	GF/07	6/30/2011	100,000	-	100,000
137	100	074680	07-4680	Littlewater Ch. p/d/c/p/i/e & furnish Head Start Facility	Navajo Nat.	GF/07	6/30/2011	70,000	-	70,000
138	100	074682	07-4682	Mariano Lake Ch. p/d/c parking lot	Navajo Nat.	GF/07	6/30/2011	175,000	-	175,000
139	100	074685	07-4685	Red Lake Ch. Design & construc office complex	Navajo Nat.	GF/07	6/30/2011	100,000	-	100,000
140	100	074686	07-4686	Red Rock Ch. Construct bathroom additions	Navajo Nat.	GF/07	6/30/2011	25,000	20,256	4,744
141	100	074687	07-4687	Red Rock Ch. Modular office bldg. pur/install/equip/fur	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000
142	100	074688	07-4688	Red Rock Ch. p/d/c install powerline extension	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000
143	100	074689	07-4689	Red Rock Ch. Pur/install/equip/fur modular building	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000
144	100	074694	07-4694	Tohatchi Ch. Chapter house kitchen plumbing system	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schdule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
								Or Reauth.	Expended	Uncommitted Balance
145	100	074695	07-4695	Tsa-Ya-Toh Ch. p/d/c powerline extension	Navajo Nat.	GF/07	6/30/2011	100,000	-	100,000
146	100	074697	07-4697	Twin Lakes Ch. Construct Government office complex	Navajo Nat.	GF/07	6/30/2011	200,000	-	200,000
147	100	074699	07-4699	Zuin Pueblo plan & design veteran's memorial park	19 Pueblos	GF/07	6/30/2011	25,000	-	25,000
148	100	074700	07-4700	Zuni Pueblo p/d/c & improve water system	19 Pueblos	GF/07	6/30/2011	142,000	-	142,000
149	100	074702	07-4702	Zuni Pueblo infrastructure feasibility study	19 Pueblos	GF/07	6/30/2011	50,000	-	50,000
150	100	074703	07-4703	Zuni Pueblo p/d/c wastewater treatment cells	19 Pueblos	GF/07	6/30/2011	125,000	-	125,000
151	100	074705	07-4705	Pina p/d/c & improve wells	Apache Nat.	GF/07	6/30/2011	250,000	-	250,000
152	100	074707	07-4707	Mescalero Apache Tribe p/d/c/ pur & install streetlights	Apache Nat.	GF/07	6/30/2011	100,000	92,384	7,616
153	100	074708	07-4708	Mescalero Apache Tribe Pena canyon well	Apache Nat.	GF/07	6/30/2011	214,285	-	214,285
154	100	074709	07-4709	Mescalero Apache Tribe repair, connect, equip w/tanks	Apache Nat.	GF/07	6/30/2011	75,000	-	75,000
155	100	074710	07-4710	Jicarilla Apache Nation p/d/c & furnish agriculture bldg	Apache Nat.	GF/07	6/30/2011	100,000	24,500	75,500
156	100	074712	07-4712	Jicarilla Apache Nation p/d/c improvments water system	Apache Nat.	GF/07	6/30/2011	250,000	35,982	214,018
157	100	074713	07-4713	Ohkay Owingeh p/d/c airport improvements	19 Pueblos	GF/07	6/30/2011	1,000,000	220,528	779,472
158	100	074714	07-4714	Ohkay Owingeh Head Start Renovate	19 Pueblos	GF/07	6/30/2011	50,000	-	50,000
159	100	074715	07-4715	Ohkay Owingeh Library Renovate	19 Pueblos	GF/07	6/30/2011	100,000	-	100,000
160	100	074717	07-4717	Aztec High School Navajo dorms construction	Other	GF/07	6/30/2011	419,000	-	419,000
161	100	074718	07-4718	Beclabito Ch. p/d/c water & wastewater system	Navajo Nat.	GF/07	6/30/2011	100,000	-	100,000
162	100	074719	07-4719	Burnham Ch. p/d/c veterans' memorial multipurpose ctr	Navajo Nat.	GF/07	6/30/2011	235,000	-	235,000
163	100	074722	07-4722	Lake Valley-Ch. p/d/c rodeo grounds	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000
164	100	074724	07-4724	Nenahnezad Ch. Improve & repairs community center	Navajo Nat.	GF/07	6/30/2011	100,000	-	100,000
165	100	074725	07-4725	Nenahnezad Ch. Design & construct w/wwater system	Navajo Nat.	GF/07	6/30/2011	200,000	-	200,000
166	100	074726	07-4726	Newcomb Ch. p/d/c addition chapter house	Navajo Nat.	GF/07	6/30/2011	191,000	-	191,000
167	100	074727	07-4727	Red Valley Ch. Purchase & install secutity fence	Navajo Nat.	GF/07	6/30/2011	10,000	-	10,000
168	100	074729	07-4729	Santosee Ch. p/d/c & improve powerline extensions	Navajo Nat.	GF/07	6/30/2011	134,350	86,482	47,868
169	100	074732	07-4732	Dine College Shiprock Library Construction	Other	GF/07	6/30/2011	472,400	13,723	458,677
170	100	074733	07-4733	Shiprock Ch. p/d/c electric power trunk lines	Navajo Nat.	GF/07	6/30/2011	200,000	-	200,000
171	100	074734	07-4734	Shiprock Ch. Judicial & Public safety complex	Navajo Nat.	GF/07	6/30/2011	100,000	-	100,000
172	100	074738	07-4738	White Rock Ch. p/d/c powerline home sites	Navajo Nat.	GF/07	6/30/2011	50,000	-	50,000
173	100	074741	07-4741	Jemez Pueblo p/d/c head start building	19 Pueblos	GF/07	6/30/2011	75,000	-	75,000
174	100	074745	07-4745	San Felipe Pueblo p/d/c wastewater system	19 Pueblos	GF/07	6/30/2011	25,000	-	25,000
175	100	074747	07-4747	Sandia Pueblo p/d/c improvements water system	19 Pueblos	GF/07	6/30/2011	350,000	30,000	320,000
176	100	074748	07-4748	Santa Ana Pueblo p/d/c & equip education wellness center	19 Pueblos	GF/07	6/30/2011	230,000	155,376	74,624
177	100	074751	07-4751	Santo Domingo p/d/c EMS & fire station facility	19 Pueblos	GF/07	6/30/2011	925,000	-	925,000
178	100	074752	07-4752	Torreon-Star Lake Ch. p/d/c police substation	Navajo Nat.	GF/07	6/30/2011	82,000	-	82,000
179	100	074753	07-4753	Zia Pueblo p/d/c & equip ambulatory facility	19 Pueblos	GF/07	6/30/2011	200,000	26,586	173,414
180	100	074754	07-4754	Zia Pueblo p/d/c irrigation system improvements	19 Pueblos	GF/07	6/30/2011	264,285	4,822	259,463

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schedule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
								Or Reauth.	Expended	Uncommitted Balance
181	100	074755	07-4755	Zia Pueblo p/d/c purchase telecommunications equipment	19 Pueblos	GF/07	6/30/2011	75,000	9,750	65,250
182	100	074756	07-4756	Nambe Pueblo renovate & equip admin building #1	19 Pueblos	GF/07	6/30/2011	90,000	36,798	53,202
183	100	074757	07-4757	Nambe Pueblo p/d/c environmental bldg improvement	19 Pueblos	GF/07	6/30/2011	10,000	2,670	7,331
184	100	074758	07-4758	Nambe Pueblo p/d/c water & wastewater system	19 Pueblos	GF/07	6/30/2011	140,000	-	140,000
185	100	074764	07-4764	San Ildefonso Pueblo p/d/c equip Head Start building	19 Pueblos	GF/07	6/30/2011	150,000	77,339	72,661
186	100	074765	07-4765	San Ildefonso Pueblo p/d/c equip Community Learning Ctr	19 Pueblos	GF/07	6/30/2011	100,000	100,000	-
187	100	074766	07-4766	San Ildefonso Pueblo p/d/c water system	19 Pueblos	GF/07	6/30/2011	264,000	70,940	193,060
188	100	074767	07-4767	IAIA multipurpose conference & educational center	Other	GF/07	6/30/2011	64,285	-	64,285
189	100	074768	07-4768	IAIA museum roof replacement/renovate	Other	GF/07	6/30/2011	10,000	-	10,000
190	100	074769	07-4769	IAIA p/d/c equip & furnish student resident center	Other	GF/07	6/30/2011	224,285	-	224,285
191	100	074773	07-4773	Tesuque Pueblo p/d/c hydrotherapy pool	19 Pueblos	GF/07	6/30/2011	100,000	1,704	98,296
192	100	074774	07-4774	Alamo Ch. p/d/c sewage treatment plant	Navajo Nat.	GF/07	6/30/2011	200,000	-	200,000
193	100	074777	07-4777	Taos Pueblo Buffalo Pasture baseline study	19 Pueblos	GF/07	6/30/2011	100,000	76,718	23,282
194	100	073252	07-3252	Pine Hill/Ramah p/d/c equip kitchen school dormitory	Navajo Nat.	GF/07	6/30/2011	25,000	-	25,000
195	100	073255	07-3255	Breadsprings Ch. Design & construct bathroom additions	Navajo Nat.	GF/07	6/30/2011	40,000	-	40,000
196	100	073257	07-3257	Navajo Nation Veteran's affair feasibility housing	Navajo Nat.	GF/07	6/30/2011	20,000	2,496	17,504
197	100	073258	07-3258	Islete Pueblo landscape & improve little league field	19 Pueblos	GF/07	6/30/2011	75,000	28,056	46,944
198	100	073260	07-3260	Cochiti Pueblo powerback up & fire truck equipment	19 Pueblos	GF/07	6/30/2011	50,000	-	50,000
199	100	073262	07-3262	Santo Domingo Pueblo p/d/c EMS & fire station facility	19 Pueblos	GF/07	6/30/2011	100,000	57,244	42,756
200	100	073263	07-3263	Torreon-Star Lake Ch. p/d/c transfer station	Navajo Nat.	GF/07	6/30/2011	48,800	-	48,800
201	100	073264	07-3264	IAIA Multipurpose Center	Other	GF/07	6/30/2011	83,800	-	83,800
202	100	074698	07-4698	Zuni Pueblo p/d/c & equip Shiwí T'sana skate park	19 Pueblos	GF/07	6/30/2011	125,000	124,990	10
203	100	074701	07-4701	Zuni Pueblo parking lot/fencing improvements	19 Pueblos	GF/07	6/30/2011	100,000	84,979	15,021
204	100	5236	05-1236	Thoreau Health Station Improvements & Equipment	Other	GF/07 R	6/30/2011	300,000	-	300,000
205	100	5267	05-1267	Shiprock Ch. p/d/c parking lot	Navajo Nat.	GF/07 R	6/30/2011	275,000	-	275,000
206	100	5288	05-1288	SIPI Early Childhood Ed. Ctr Construct & Equip	Other	GF/07 R	6/30/2011	50,000	-	50,000
207	100	061349	06-1349	Littlewater Chp Head Start Fac expand modular bld	Navajo Nat.	GF/07 R	6/30/2011	150,000	-	150,000
208	100	061367	06-1367	Ohkay Owingeh First Capital Heritage	19 Pueblos	GF/07 R	6/30/2011	100,000	89,906	10,094
209	100	061412	06-1412	San Ildefonso Learning Center	19 Pueblos	GF/07 R	6/30/2011	125,000	-	125,000
210	100	074721	07-4721	Lake Valley Ch. house renovations	Navajo Nat.	GF/08	6/30/2011	50,000	-	50,000
211	100	074776	07-4776	Picuris Pueblo repair & renovate bldg (repay loan to SBOF)	19 Pueblos	GF/08	6/30/2011	230,000	-	230,000
212	100	083961	08-3961	Indian Pueblo Council d/c former Indian school property	Other	GF/08	6/30/2012	57,000	-	57,000
213	100	083962	08-3962	Indian Pueblo Cultural Center p/d/c cultural center	Other	GF/08	6/30/2012	95,000	38,210	56,790
214	100	083963	08-3963	To'hajiilee Ch. p/d/c magistrate courthouse	Navajo Nat.	GF/08	6/30/2012	34,000	-	34,000
215	100	083964	08-3964	To'hajiilee Ch. purchase road grader	Navajo Nat.	GF/08	6/30/2010	60,000	40,202	19,798
216	100	083965	08-3965	Acoma Pueblo design & renovate boy's & girl's club	Navajo Nat.	GF/08	6/30/2012	25,000	-	25,000

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schedule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp. Or Reauth.	Amount Expended	Unexpended/
										Uncommitted Balance
217	100	083966	08-3966	Acoma Pueblo purchase & equip vehicles police & fire dept	19 Pueblos	GF/08	6/30/2010	25,000	24,337	663
218	100	083967	08-3967	Acoma Pueblo p/d/c/e wastewater treatment facility	19 Pueblos	GF/08	6/30/2012	50,000	-	50,000
219	100	083968	08-3968	Laguna Pueblo purchase school busses for health clinic	19 Pueblos	GF/08	6/30/2010	75,000	-	75,000
220	100	083969	08-3969	Laguna Pueblo plan & design swimming pool	19 Pueblos	GF/08	6/30/2012	25,000	-	25,000
221	100	083970	08-3970	Laguna Pueblo p/d/c water, WW & infrastructure	19 Pueblos	GF/08	6/30/2012	40,000	-	40,000
222	100	083971	08-3971	Ramah Ch. p/d/c bathroom additions to homes	Navajo Nat.	GF/08	6/30/2012	55,000	-	55,000
223	100	083972	08-3972	Ramah Ch. purchase & equip trucks & trailer	Navajo Nat.	GF/08	6/30/2010	45,000	-	45,000
224	100	083973	08-3973	Fort Defiance Ch. p/d/c water lines & bathroom additions	Navajo Nat.	GF/08	6/30/2012	30,000	-	30,000
225	100	083974	08-3974	Shiprock Ch. constr & equip municipal water & WW systms	Navajo Nat.	GF/08	6/30/2012	144,000	-	144,000
226	100	083975	08-3975	Baahaali Ch. p/d/c parking lot	Navajo Nat.	GF/08	6/30/2012	85,000	-	85,000
227	100	083976	08-3976	Baahaali Ch. p/d/c & renovate chapter house	Navajo Nat.	GF/08	6/30/2012	45,000	-	45,000
228	100	083978	08-3978	Baca-Prewitt Ch. p/d/c bathroom additions renovations	Navajo Nat.	GF/08	6/30/2012	35,000	-	35,000
229	100	083979	08-3979	Becenti Ch. p/d/c bathroom additions to homes	Navajo Nat.	GF/08	6/30/2012	85,000	22,329	62,671
230	100	083980	08-3980	Chichiltah Ch. equip solid waste transfer station	Navajo Nat.	GF/08	6/30/2010	30,000	-	30,000
231	100	083981	08-3981	Chruch Rock Ch. p/d economic dev project	Navajo Nat.	GF/08	6/30/2012	25,000	-	25,000
232	100	083982	08-3982	Church Rock Ch. p/d/c power line extensions	Navajo Nat.	GF/08	6/30/2012	75,000	-	75,000
233	100	083983	08-3983	Coyote Canyon Ch. p/d utility extensions include right-of-way	Navajo Nat.	GF/08	6/30/2012	25,000	-	25,000
234	100	083984	08-3984	Crowinpoint Navajo Nation Local Goverance p/d/c/e mod offi	Navajo Nat.	GF/08	6/30/2012	50,000	-	50,000
235	100	083986	08-3986	Manuelito Ch. p/d/c/e replace improvements to ch. house	Navajo Nat.	GF/08	6/30/2012	25,000	-	25,000
236	100	083987	08-3987	Manuelito Ch. p/d/c Kin Hozhoni Veterans' hall	Navajo Nat.	GF/08	6/30/2012	35,000	-	35,000
237	100	083988	08-3988	Mexican Springs p/d/c/e/f playground	Navajo Nat.	GF/08	6/30/2012	75,000	-	75,000
238	100	083989	08-3989	Mexican Springs p/d/c water line extension	Navajo Nat.	GF/08	6/30/2012	40,000	-	40,000
239	100	083991	08-3991	Pinedale Ch. p/d/c wiring & powerline	Navajo Nat.	GF/08	6/30/2012	35,000	-	35,000
240	100	083992	08-3992	Red Lake Ch. p/d/c/r & improve recreation center	Navajo Nat.	GF/08	6/30/2012	35,000	-	35,000
241	100	083993	08-3993	Standing Rock Ch. p/d/c & install powerline extensions	Navajo Nat.	GF/08	6/30/2012	52,000	-	52,000
242	100	083994	08-3994	Thoreau Ch. p/d first response bulding	Navajo Nat.	GF/08	6/30/2012	25,000	-	25,000
243	100	083995	08-3995	Thoreau Ch. p/d/c powerline extensions	Navajo Nat.	GF/08	6/30/2012	30,000	-	30,000
244	100	083996	08-3996	Tohatchi Ch. p/d/c bathroom additons	Navajo Nat.	GF/08	6/30/2012	50,000	-	50,000
245	100	083997	08-3997	Tohatchi Ch. purchase & install fencing at cemetry	Navajo Nat.	GF/08	6/30/2012	10,000	-	10,000
246	100	083998	08-3998	Tohatchi Ch. p/d veterans' center	Navajo Nat.	GF/08	6/30/2012	25,000	-	25,000
247	100	083999	08-3999	Twin Lakes Ch. Construct Government office complex	Navajo Nat.	GF/08	6/30/2012	35,000	-	35,000
248	100	084000	08-4000	Whitehorse Lake Ch. purchase & install pellet stoves	Navajo Nat.	GF/08	6/30/2012	30,000	-	30,000
249	100	084001	08-4001	Zuni Pueblo p/d/c utility fencing	19 Pueblos	GF/08	6/30/2012	85,000	-	85,000
250	100	084002	08-4002	Zuni Pueblo p/d/c wastewater sys & treatment facilities	19 Pueblos	GF/08	6/30/2012	35,000	-	35,000
251	100	084003	08-4003	Zuni Pueblo construct wastewater treatment cells	19 Pueblos	GF/08	6/30/2012	50,000	-	50,000
252	100	084004	08-4004	Torreon & Ojo Encino Ch. p/d/c water line extensions bthrms	Navajo Nat.	GF/08	6/30/2012	120,000	-	120,000

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schedule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund		BOF/CPD		Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
	Code	Org. Code	Proj. #	Or Reauth.					Expended	Uncommitted Balance	
253	100	084005	08-4005		Isleta Pueblo purchase & equip vehicles for police dept	19 Pueblos	GF/08	6/30/2010	60,000	56,140	3,860
254	100	084006	08-4006		Isleta Pueblo p/d/c veterans' center	19 Pueblos	GF/08	6/30/2012	25,000	2,600	22,400
255	100	084007	08-4007		Sandia Pueblo p/d/c/r/e health center	19 Pueblos	GF/08	6/30/2012	120,000	7,677	112,323
256	100	084009	08-4009		Mescalero Apache Tribe p/d/c upgrade fac/ceremonial grounds	Other	GF/08	6/30/2012	35,000	2,660	32,340
257	100	084010	08-4010		Mescalero Apache Tribe d/c/r/e fish hatchery & ponds	Other	GF/08	6/30/2012	184,000	-	184,000
258	100	084012	08-4012		Ohkay Owingeh purchase trucks & equip fire dept	19 Pueblos	GF/08	6/30/2010	155,000	-	155,000
259	100	084013	08-4013		Santa Clara Pueblo p/d/c/e water & water sewer systems	19 Pueblos	GF/08	6/30/2012	150,000	-	150,000
260	100	084015	08-4015		Huerfano Ch. purchase a trailer	Navajo Nat.	GF/08	6/30/2010	9,000	-	9,000
261	100	084016	08-4016		Lake Valley Ch. construct a powerline	Navajo Nat.	GF/08	6/30/2012	40,000	-	40,000
262	100	084019	08-4019		Nageezi Ch. p/d/c bathroom additions	Navajo Nat.	GF/08	6/30/2012	35,000	22,993	12,007
263	100	084020	08-4020		Newcomb Ch. p/d/c an addition	Navajo Nat.	GF/08	6/30/2012	25,000	-	25,000
264	100	084021	08-4021		Newcomb Ch. p/d/c an irrigation project	Navajo Nat.	GF/08	6/30/2012	169,000	-	169,000
265	100	084022	08-4022		San Juan Ch. p/d/c/e first response building	Navajo Nat.	GF/08	6/30/2012	65,000	-	65,000
266	100	084023	08-4023		Shiprock construct home for women & children	Navajo Nat.	GF/08	6/30/2012	100,000	99,000	1,000
267	100	084024	08-4024		Shiprock Ch. purchase digital sign equipment	Navajo Nat.	GF/08	6/30/2010	50,000	-	50,000
268	100	084025	08-4025		Shiprock Ch. purchase irrigation system	Navajo Nat.	GF/08	6/30/2010	50,000	-	50,000
269	100	084026	08-4026		White Rock Ch. p/d/c parking lot at chapter house	Navajo Nat.	GF/08	6/30/2012	30,000	-	30,000
270	100	084027	08-4027		Cochiti Pueblo p/d/c/e renovations to comm center	19 Pueblos	GF/08	6/30/2012	50,000	45,927	4,073
271	100	084028	08-4028		Cochiti Pueblo p/e/f Ko-Tyit Hahn center	19 Pueblos	GF/08	6/30/2010	45,000	336	44,664
272	100	084029	08-4029		Cochiti Pueblo construct power line ext to Kashakatuwo booth	19 Pueblos	GF/08	6/30/2012	25,000	22,544	2,456
273	100	084030	08-4030		Jemez Pueblo construct tribal admin comm serv bldg	19 Pueblos	GF/08	6/30/2012	150,000	-	150,000
274	100	084031	08-4031		San Felipe Pueblo purchase & equip bus for head start	19 Pueblos	GF/08	6/30/2010	150,000	-	150,000
275	100	084032	08-4032		San Felipe Pueblo Waste Water System	19 Pueblos	GF/08	6/30/2012	100,000	-	100,000
276	100	084035	08-4035		Santo Domingo Pueblo vehicle/equip purchase	19 Pueblos	GF/08	6/30/2010	5,000	-	5,000
277	100	084036	08-4036		Zia Pueblo Wireless Internet Canopy construct	19 Pueblos	GF/08	6/30/2012	31,000	9,750	21,250
278	100	084038	08-4038		Nambe Pueblo Day School Improve	19 Pueblos	GF/08	6/30/2012	83,000	35,785	47,215
279	100	084040	08-4040		San Ildefonso Pueblo Wellness Center	19 Pueblos	GF/08	6/30/2012	50,000	-	50,000
280	100	084041	08-4041		IAIA Roof & Other Repairs	Other	GF/08	6/30/2012	30,000	-	30,000
281	100	084043	08-4043		Picuris Pueblo Vehicles Purchase	19 Pueblos	GF/08	6/30/2010	100,000	86,331	13,669
282	100	083985	08-3985		Iyanbito Ch. p/d/c head start center	Navajo Nat.	GF/08	6/30/2012	85,000	-	85,000
283	100	3218	03-0048		Ohkay Owingeh Community Library Renovate	19 Pueblos	GF/08 R	6/30/2010	35,000	-	35,000
284	100	5300	05-1300		Becenti Ch. p/d/c/e bathroom additions	Navajo Nat.	GF/08 R	6/30/2010	20,000	-	20,000
285	100	061331	06-1331		Baahaali Ch. (Bread Springs) Motor Grader	Navajo Nat.	GF/08 R	6/30/2010	25,000	-	25,000
286	100	061334	06-1334		Red Rock Chp Motor Grader	Navajo Nat.	GF/08 R	6/30/2010	50,000	-	50,000
287	100	061338	06-1338		Chichiltah Chp Road Equipment	Navajo Nat.	GF/08 R	6/30/2010	100,000	76,185	23,815
288	100	061339	06-1339		Chichiltah Chp. p/d/c powerline extension	Navajo Nat.	GF/08 R	6/30/2010	80,000	-	80,000

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schdule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
								Or Reauth.	Expended	Uncommitted Balance
289	100	061348	06-1348	Bencenti Chp. p/d/c/e bathroom additions	Navajo Nat.	GF/08 R	6/30/2010	50,000	-	50,000
290	100	074723	07-4723	Nageezi Ch. purchase office furniture & equipment	Navajo Nat.	GF/08 R	6/30/2011	50,000	-	50,000
291	100	074736	07-4736	Tse'Daa'Kaa Ch. pur & construct modular bldg	Navajo Nat.	GF/08 R	6/30/2011	100,000	-	100,000
292	100	061306	06-1306	Ramah Chp Backhoe Purchase & Heavy Equipment	Navajo Nat.	GF/08R	6/30/2010	85,000	70,687	14,313
293	100	074647	07-4647	Pine Hill/Ramah Navajo School Board Admin Tech Center	Navajo Nat.	GF/08R	6/30/2011	70,000	-	70,000
294	100	5229	05-1229	Acoma Pueblo Sky City Ctr/MarketPlace	19 Pueblos	GF/09 R	6/30/2011	150,000	105,900	44,100
295	100	5296	05-1296	Red Rock Ch. Community Center	Navajo Nat.	GF/09 R	6/30/2010	25,000	-	25,000
296	100	5297	05-1297	Tsa-Ya-Toh Ch. House Renovations	Navajo Nat.	GF/09 R	6/30/2011	30,000	-	30,000
297	100	061336	06-1336	Zuni Pueblo Arts & Visitors Center Construct	19 Pueblos	GF/09 R	6/30/2011	125,000	-	125,000
298	100	061340	06-1340	Red Rock Chp Fire Station	Navajo Nat.	GF/09 R	6/30/2010	50,000	-	50,000
299	100	061377	06-1377	Aztec High School Dorms for Navajo Student	Other	GF/09 R	6/30/2011	247,500	-	247,500
300	100	061378	06-1378	Dine College North Campus Parking Lot	Other	GF/09 R	6/30/2011	37,900	-	37,900
301	100	061395	06-1395	Zia Pueblo Childhood Dev Ctr Construct	19 Pueblos	GF/09 R	6/30/2011	50,000	-	50,000
302	100	073442	07-3442	Tohatchi Ch. p/d/c/r/e skateboard park	Navajo Nat.	GF/09 R	6/30/2011	-	-	-
303	100	074716	07-4716	Santa Clara Pueblo plan & design irrigation system	19 Pueblos	GF/09 R	6/30/2011	250,000	-	250,000
304	100	074728	07-4728	Sanostee Ch. Purchase & equip backhoe	Navajo Nat.	GF/09 R	6/30/2011	124,500	81,032	43,468
305	100	074731	07-4731	Shiprock p/d/c & furnish domestic violence facility	Navajo Nat.	GF/09 R	6/30/2011	600,000	-	600,000
306	100	075098	07-5098	Pueblo of Pojoaque wellness center	19 Pueblos	GF/09 R	6/30/2010	-	-	-
307	100	083977	08-3977	Baahaali Ch. p/d housing compound & reg veterans center	Navajo Nat.	GF/09 R	6/30/2010	10,000	-	10,000
308	100	084018	08-4018	Littlw Water Ch. renovate & improve & equip warehouse	Navajo Nat.	GF/09 R	6/30/2012	10,000	-	10,000
Total Project Funds 100								\$ 35,787,496	6,785,993	29,001,504
1	101	0002	00-0222	Laguna Pueblo-Juvenile/Adult Detention Ctr.	19 Pueblos	STB/07 R	6/30/2011	\$ 100,000	-	100,000
2	101	0005	00-0225	Smith Lake - Bathroom Additions	Navajo Nat.	STB/05 R	6/30/2010	42,500	20,255	22,245
3	101	0014	00-0234	Shiprock Chapter House Additions	Navajo Nat.	STB/05 R	6/30/2010	19,200	-	19,200
4	101	0015	00-0235	Shiprock Ch. Nizhoni Park Development	Navajo Nat.	STB/05 R	6/30/2010	30,000	-	30,000
5	101	0034	00-0254	Manuelito Ch. p/d/c bathroom additions	Navajo Nat.	STB/08 R	6/30/2010	125,000	109,629	15,371
6	101	0037	00-0257	Shiprock Chapter Powerline Extensions	Navajo Nat.	STB/05 R	6/30/2010	100,000	-	100,000
7	101	0051	00-0271	Coyote Canyon Recreation Building	Navajo Nat.	STB/05 R	6/30/2010	50,000	-	50,000
8	101	0055	00-0992	Smith Lake - Bathroom Additions	Navajo Nat.	GF/05 R	6/30/2010	5,000	2,252	2,748
9	101	0056	00-0993	Rock Springs Multipurpose Building	Navajo Nat.	GF/05 R	6/30/2010	125,000	53,660	71,340
10	101	0059	00-0996	Shiprock Ch. Street Light Project	Navajo Nat.	GF/05 R	6/30/2010	56,000	-	56,000
11	101	0201	02-0331	Pine Hill - bathroom additions	Navajo Nat.	STB/07 R	6/30/2011	50,000	49,515	485
12	101	0207	02-0337	Little Water Chapter Head Start Fac expand mod bldg	Navajo Nat.	STB/07 R	6/30/2011	25,000	-	25,000
13	101	0208	02-0338	White Horse/Headstart Kitchen Addition	Navajo Nat.	STB/07 R	6/30/2011	25,000	19,920	5,080
14	101	0213	02-0343	Red Lake Chapter Steel office bldg p/d/c	Navajo Nat.	STB/07 R	6/30/2011	138,810	98,028	40,782

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schedule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
								Or Reauth.	Expended	Uncommitted Balance
15	101	0218	02-0348	Nenahnezad-repair chapter house	Navajo Nat.	STB/06 R	6/30/2010	75,000	-	75,000
16	101	0220	02-0350	Naschitti powerline ext & elec house wiring	Navajo Nat.	STB/06 R	6/30/2010	152,103	-	152,103
17	101	0234	02-0364	Laguna Pueblo Training Center	19 Pueblos	STB/07 R	6/30/2011	50,000	34,943	15,057
18	101	0236	02-0366	Pine Hill Community Bathroom Additions	Navajo Nat.	STB/07 R	6/30/2011	65,000	42,666	22,334
19	101	0240	02-0370	Rock Springs Ch. Sewer Lagoon Infrastructure	Navajo Nat.	STB/08 R	6/30/2011	60,000	-	60,000
20	101	0243	02-0373	Coyote Canyon Preschool Building p/d/c	Navajo Nat.	STB/09 R	6/30/2011	50,000	-	50,000
21	101	0246	02-0376	Zuni Pueblo Visitor's Center	19 Pueblos	STB/09 R	6/30/2011	45,000	11,435	33,565
22	101	3175	03-0557	To'hajiilee multipurpose courts p/d/c	Navajo Nat.	STB/06 R	6/30/2010	25,000	-	25,000
23	101	3104	03-0562	Baahaali Ch. (Bread Springs) Fac. & Parking Lot	Navajo Nat.	STB/08 R	6/30/2010	25,000	-	25,000
24	101	3149	03-0565	Rock Springs Ch. p/d/c infrastructure	Navajo Nat.	STB/08 R	6/30/2010	50,000	-	50,000
25	101	3112	03-0604	Central Administration Center (Ohkay Owingeh)	Other	STB/08 R	6/30/2010	25,000	19,280	5,720
26	101	3111	03-0608	Central Administration Center (Ohkay Owingeh)	Other	STB/08 R	6/30/2010	35,000	-	35,000
27	101	3131	03-0618	Nageezi Chapter Powerline Extensions	Navajo Nat.	STB/07 R	6/30/2011	15,000	-	15,000
28	101	3150	03-0621	Rock Springs Ch. infrastructure improv & mltrprps bldg	Navajo Nat.	STB/08 R	6/30/2010	50,000	-	50,000
29	101	3105	03-0623	Chichiltah Chapter Road Equipment Purchase	Navajo Nat.	STB/08 R	6/30/2010	35,000	-	35,000
30	101	3181	03-0637	White Rock Powerline Project	Navajo Nat.	STB/08 R	6/30/2010	100,000	-	100,000
31	101	3219	03-0882	Mariano Lake Headstart Modular Bldg.	Navajo Nat.	STB/8 R	6/30/2010	150,000	-	150,000
32	101	0414	04-0414	Shiprock Home for Women & Children	Navajo Nat.	STB/09	6/30/2011	-	-	-
33	101	1579	04-1579	Tohatchi Chapter Powerline Extension	Navajo Nat.	STB/09 R	6/30/2011	80,000	-	80,000
34	101	1581	04-1581	Sanostee Ch. New Ch. House Feas. Study	Navajo Nat.	STB/09 R	6/30/2011	45,000	-	45,000
35	101	1582	04-1582	Nageezi Chapter Powerline Extensions	Navajo Nat.	STB/07 R	6/30/2011	50,000	-	50,000
36	101	1583	04-1583	Hogback Chapter Powerline Construction	Navajo Nat.	STB/09 R	6/30/2011	500,000	62,054	437,946
37	101	1594	04-1594	Rock Springs Chapter Telephone System	Navajo Nat.	STB/04	6/30/2009	50,000	-	50,000
38	101	1595	04-1595	White Horse Lake Chapter Water Line	Navajo Nat.	STB/09 R	6/30/2011	256,000	-	256,000
39	101	5154	05-0154	Ramah Chapter Power Line Extensions	Navajo Nat.	STB/05	6/30/2010	100,000	8,964	91,036
40	101	5158	05-0158	Laguna Pueblo Kwaike Community Center	19 Pueblos	STB/05	6/30/2010	100,000	56,696	43,304
41	101	5159	05-0159	Manuelito Ch. Wtr Line Ext/Bthrm Add.	Navajo Nat.	STB/05	6/30/2010	180,000	178,927	1,073
42	101	5160	05-0160	Standing Rock Ch. Powerline Extensions	Navajo Nat.	STB/08 R	6/30/2010	100,000	-	100,000
43	101	5161	05-0161	Pueblo Pintado Ch. Bthrm. Additions	Navajo Nat.	STB/05	6/30/2010	75,000	62,029	12,971
44	101	5162	05-0162	Little Water Ch. W/WW System	Navajo Nat.	STB/09 R	6/30/2011	50,000	-	50,000
45	101	5163	05-0163	Casamero Lake Ch. Bthrm/Plumbing Imprv.	Navajo Nat.	STB/05	6/30/2010	50,000	45,463	4,537
46	101	5164	05-0164	Church Rock Ch. Manufacturing Facility	Navajo Nat.	STB/05	6/30/2010	150,000	110,983	39,017
47	101	5165	05-0165	Crownpoint Ch. Bthrm. Additions	Navajo Nat.	STB/05	6/30/2010	100,000	88,892	11,108
48	101	5166	05-0166	Pinedale Ch. Two-Cell Sewer Lagoon	Navajo Nat.	STB/05	6/30/2010	160,000	-	160,000
49	101	5167	05-0167	Mexican Springs Ch. Infrastructure Imprv.	Navajo Nat.	STB/06 R	6/30/2010	115,236	-	115,236
50	101	5170	05-0170	San Juan Pueblo Airport Imprv. Infrastrc.	19 Pueblos	STB/05	6/30/2010	2,000,000	907,430	1,092,570

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schedule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
								Or Reauth.	Expended	Uncommitted Balance
51	101	5171	05-0171	Santa Clara Pueblo Infrastructure Projects	19 Pueblos	STB/09 R	6/30/2011	200,000	37,640	162,360
52	101	5174	05-0174	Shiprock Ch. House Addition	Navajo Nat.	STB/05	6/30/2010	75,000	-	75,000
53	101	5175	05-0175	Huerfano Ch. Bthrm Additions/Plumbing	Navajo Nat.	STB/05	6/30/2010	75,000	66,705	8,295
54	101	5177	05-0177	Newcomb Ch. Power Line Extensions	Navajo Nat.	STB/05	6/30/2010	140,000	-	140,000
55	101	5178	05-0178	Gadii'ahi Ch. Improvements/Additions	Navajo Nat.	STB/05	6/30/2010	142,050	75,000	67,050
56	101	5180	05-0180	Santo Domingo Pueblo Reg. Infra. Devel.	19 Pueblos	STB/05	6/30/2010	125,000	-	125,000
57	101	5189	05-0189	SFIS Master Planning of Trust Lands	Other	STB/05	6/30/2010	450,000	115,144	334,856
58	101	5191	05-0191	Tesuque Pueblo Intergenerational Ctr Offices	19 Pueblos	STB/05	6/30/2010	275,000	1,704	273,296
59	101	5192	05-0192	San Ildefonso Pueblo Library/Museum Ctr.	19 Pueblos	STB/05	6/30/2010	160,000	-	160,000
60	101	5197	05-0197	Thoreau Health Station Improvements & Equipment	Other	STB/07 R	6/30/2011	100,000	-	100,000
61	101	5198	05-0198	Red Rock Ch. Bathroom Additions	Navajo Nat.	STB/05	6/30/2010	50,000	46,096	3,904
62	101	5200	05-0200	Coyote Canyon Ch. House Improvements	Navajo Nat.	STB/05	6/30/2010	50,000	-	50,000
63	101	5201	05-0201	Chichiltah Ch. Parking Lot Paving	Navajo Nat.	STB/05	6/30/2010	50,000	47,430	2,570
64	101	5202	05-0202	Chichiltah Ch. Power Line Extension	Navajo Nat.	STB/05	6/30/2010	50,000	-	50,000
65	101	5203	05-0203	White Horse Lake Ch. Water Line	Navajo Nat.	STB/05	6/30/2010	100,000	9,360	90,640
66	101	5207	05-0207	Naschitti Ch. Rural Electrification Ext.	Navajo Nat.	STB/05	6/30/2010	412,000	214,245	197,755
67	101	6128	05-0419	Southeast Abq Health Care Center	Other	STB/07 R	6/30/2011	80,000	-	80,000
68	101	060232	06-0232	Ramah Chp Powerline Extend	Navajo Nat.	STB/06	6/30/2010	50,000	8,500	41,500
69	101	060233	06-0233	Laguna Pueblo Kawaika Center Renovation	19 Pueblos	STB/06	6/30/2010	75,000	6,966	68,034
70	101	060235	06-0235	Laguna Pueblo Construct of Paguata Wellness	19 Pueblos	STB/06	6/30/2010	70,000	-	70,000
71	101	060237	06-0237	White Horse Lake Chp Water Line Extend	Navajo Nat.	STB/06	6/30/2010	300,000	9,360	290,640
72	101	060238	06-0238	Manuelito P/D/C Powerline	Navajo Nat.	STB/06	6/30/2010	100,000	-	100,000
73	101	060239	06-0239	Mexican Springs Chp Water Lines	Navajo Nat.	STB/06	6/30/2010	100,000	-	100,000
74	101	060240	06-0240	Rock Springs Chp Multipurpose Bldg & Infrastructure	Navajo Nat.	STB/08 R	6/30/2010	100,000	-	100,000
75	101	060241	06-0241	Zuni Pueblo Lady of Guadalupe Mission Resto	19 Pueblos	STB/06	6/30/2010	50,000	-	50,000
76	101	060242	06-0242	Zuni Visitor Center	19 Pueblos	STB/06	6/30/2010	100,000	-	100,000
77	101	060244	06-0244	Navajo Nation Transportation Center Constr	Navajo Nat.	STB/06	6/30/2010	500,000	71,136	428,864
78	101	060245	06-0245	Coyote Canyon Chp Equipment Warehouse	Navajo Nat.	STB/06	6/30/2010	50,000	46,585	3,415
79	101	060246	06-0246	Coyote Canyon Chp House Renovate	Navajo Nat.	STB/06	6/30/2010	50,000	-	50,000
80	101	060247	06-0247	Mariano Lake Chp Water/Waste System	Navajo Nat.	STB/06	6/30/2010	100,000	100,000	-
81	101	060248	06-0248	Crownpoint Judicial Branch Complex Constr	Navajo Nat.	STB/06	6/30/2010	50,000	-	50,000
82	101	060249	06-0249	Chichiltah Mckinley Co Fire Station Construct Expand	Navajo Nat.	STB/09 R	6/30/2011	50,000	-	50,000
83	101	060250	06-0250	White Rock Chp Restroom Construction	Navajo Nat.	STB/06	6/30/2010	200,000	134,826	65,174
84	101	060252	06-0252	Isleta Pueblo Chical Neighborhood Park impr	19 Pueblos	STB/06	6/30/2010	50,000	30,445	19,555
85	101	060253	06-0253	Navajo N. Multi-Co Land Archeo Clear Surv	Navajo Nat.	STB/06	6/30/2010	50,000	7,639	42,361
86	101	060255	06-0255	Mescarelo Apache Skateboard Park Construc	Apache Nat.	STB/06	6/30/2010	83,000	19,293	63,707

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schdule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
								Or Reauth.	Expended	Uncommitted Balance
87	101	060256	06-0256	Ohkay Owingeh Fire Station Construct	19 Pueblos	STB/06	6/30/2010	175,000	168,070	6,930
88	101	060258	06-0258	Shiprock Vet. Complex Construct	Navajo Nat.	STB/06	6/30/2010	400,000	195,182	204,818
89	101	060269	06-0269	Crownpoint Internet to Hogans Access	Other	STB/06	6/30/2010	500,000	199,708	300,292
90	101	060271	06-0271	Picuris Pueblo Road Graders Purchase & equip	19 Pueblos	STB/08 R	6/30/2010	235,000	218,200	16,800
91	101	9936	06-2507	Tohatchi multipurpose facility to p/d/c	Navajo Nat.	STB/06 R	6/30/2010	73,000	-	73,000
92	101	0040	06-2509	Crownpoint Administrative Complex plan & design	Navajo Nat.	STB/06 R	6/30/2010	100,000	-	100,000
93	101	073740	07-3740	San Felip Pueblo p/d/c improve water & wastewater sys	19 Pueblos	STB/07	6/30/2011	500,000	-	500,000
94	101	073742	07-3742	Taos Pueblo drainage & infrastructure p/d/c & repair	19 Pueblos	STB/07	6/30/2011	200,000	196,000	4,000
95	101	073768F	07-3768	IPCC Independent Living Facilities	Other	STB/09 R	6/30/2011	150,000	-	150,000
96	101	073768A	07-3768	Pueblo of Cochiti Community Health Clinic	19 Pueblos	STB/09 R	6/30/2011	125,000	-	125,000
97	101	073768B	07-3768	Pueblo of Santo Domingo Health Center	19 Pueblos	STB/09 R	6/30/2011	100,000	-	100,000
98	101	073768C	07-3768	Pueblo of Pojoaque wellness center	19 Pueblos	STB/09 R	6/30/2011	150,000	-	150,000
99	101	073768D	07-3768	Pueblo of San Ildefonso wellness center	19 Pueblos	STB/09 R	6/30/2011	100,000	-	100,000
100	101	073768E	07-3768	Native American Independent Living	Other	STB/09 R	6/30/2011	155,000	-	155,000
101	101	073799	07-3799	Laguna/San Felipe Pue Center	19 Pueblos	STB/09 R	6/30/2011	250,000	-	250,000
102	101	073843	07-3843	Lake Valley Chapter Vehicle	Navajo Nat.	STB/08	6/30/2009	32,000	32,000	-
103	101	083155	08-3155	Indian Pueblo Cultural Center p/d/c & engineer park lot	Other	STB/08	6/30/2012	264,000	197,487	66,513
104	101	083156	08-3156	Acoma Pueblo p/d/c water & wastewater system improv	19 Pueblos	STB/08	6/30/2012	200,000	81,497	118,503
105	101	083157	08-3157	Laguna Pueblo p/d/c improve to water system	19 Pueblos	STB/08	6/30/2012	200,000	-	200,000
106	101	083158	08-3158	Casamero Lake Ch. purchase motor grader	Navajo Nat.	STB/08	6/30/2010	100,000	-	100,000
107	101	083160	08-3160	Pinedale Ch. p/d/c & renovate bthrm additions	Navajo Nat.	STB/08	6/30/2012	210,000	59,605	150,395
108	101	083162	08-3162	Isleta Pueblo p/d/c/e/f educational complex	19 Pueblos	STB/08	6/30/2012	551,000	-	551,000
109	101	083163	08-3163	Sandia Pueblo p/d/c & install water system	19 Pueblos	STB/08	6/30/2012	250,000	-	250,000
110	101	083164	08-3164	Mescalero Apache Tribe repair water system storage tanks	Other	STB/08	6/30/2012	200,000	-	200,000
111	101	083165	08-3165	Littlewater Ch. purchase & equip motor grader	Navajo Nat.	STB/08	6/30/2010	100,000	-	100,000
112	101	083166	08-3166	Red Valley Ch. p/d/c powerline extensions to homes	Navajo Nat.	STB/08	6/30/2012	200,000	-	200,000
113	101	083167	08-3167	Sanostee Ch. Purchase & equip motor grader	Navajo Nat.	STB/08	6/30/2010	300,000	-	300,000
114	101	083168	08-3168	Dine College p/d/c library	Other	STB/08	6/30/2012	5,000,000	8,014	4,991,986
115	101	083169	08-3169	T'iistoh Sikaad Ch (Burnham) d/c/e veterans center	Navajo Nat.	STB/08	6/30/2012	325,000	-	325,000
116	101	083170	08-3170	Cochiti Pueblo p/d/c/e/f multiuse fac & cultural ctr	19 Pueblos	STB/08	6/30/2012	100,000	-	100,000
117	101	083171	08-3171	Jemez Pueblo p/d/c improv to dams, waterways & culverts	19 Pueblos	STB/08	6/30/2012	200,000	-	200,000
118	101	083172	08-3172	Santa Ana Pueblo p/d/c/e effluent storage pond	19 Pueblos	STB/08	6/30/2012	200,000	12,393	187,607
119	101	083173	08-3173	Santa Ana Pueblo p/d/c/e/f fire & emergency medical facility	19 Pueblos	STB/08	6/30/2012	365,000	32,476	332,524
120	101	083174	08-3174	Santa Ana Pueblo p/d/c/e/f multiprps educ & wellness ctr	19 Pueblos	STB/08	6/30/2012	150,000	103,225	46,775
121	101	083175	08-3175	Santo Domingo Pueblo p/d/c fire emerg serv & saftey cmplx	19 Pueblos	STB/08	6/30/2012	435,000	-	435,000
122	101	083176	08-3176	Zia Pueblo p/d/c/e ambulatory health care facility	19 Pueblos	STB/08	6/30/2012	375,000	26,586	348,414

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schedule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/	
								Or Reauth.	Expended	Uncommitted Balance	
123	101	083177	08-3177	Institute of American Indian Arts p/d/c education facility	Other	STB/08	6/30/2012	500,000	-	500,000	
124	101	083178	08-3178	Nambe Pueblo p/d/c multipurpose bldg	19 Pueblos	STB/08	6/30/2012	150,000	-	150,000	
125	101	083180	08-3180	Pojoaque Pueblo p/d/c/e/r wellness center	19 Pueblos	STB/08	6/30/2012	250,000	155,409	94,591	
126	101	083181	08-3181	San Ildefonso Pueblo p/d/c infrastructure housing	19 Pueblos	STB/09 R	6/30/2012	200,000	-	200,000	
127	101	083182	08-3182	Tesuque Pueblo p/d/c/e multipurpose law enforcement facility	19 Pueblos	STB/08	6/30/2012	250,000	233,778	16,222	
128	101	083184	08-3184	Taos Pueblo p/d/c drainage & irrigation system	19 Pueblos	STB/08	6/30/2012	200,000	164,036	35,964	
129	101	093008	09-3008	Ohkay Owingeh p/d/c airport improvements	19 Pueblos	STB/09	6/30/2013	1,000,000	230,529	769,471	
130	101	093126	09-3126	Santa Fe Indian School Wellness Center Construction	Other	STB/09	6/30/2012	1,000,000	-	1,000,000	
131	101	0080	98-0172	Laguna Pueblo-Juvenile/Adult Detention Ctr.	19 Pueblos	STB/07 R	6/30/2011	100,000	9,898	90,102	
132	101	0076	98-0335	Rock Springs-Comm. Infrastructure	Navajo Nat.	STB/07 R	6/30/2011	25,000	-	25,000	
Total Project Funds 101								\$	27,366,899	5,355,183	22,011,716
1	531	9806	98B-319	Laguna Pue-Juvenile/Adult De Ctr/Police headquqtrers	19 Pueblos	STB/07 R	6/30/2011	\$ 50,000	22,919	27,081	
2	531	9824	98B-929	Mexican Springs Powerline extensions	Navajo Nat.	STB/07 R	6/30/2011	75,000	73,632	1,368	
Total Project Funds 531								\$	125,000	96,551	28,449
1	429	4005	06-4005	Pueblo of Laguna Water Project	19 Pueblos	GF/06	7/26/2009	\$ 150,000	149,647	353	
2	429	4007	06-4007	Pueblo of Jemez Water/WasteWater Proj	19 Pueblos	GF/06	11/23/2007	400,000	380,025	19,975	
3	429	4008	06-4008	Pueblo of Acoma Water Sys Improvement	19 Pueblos	GF/06	8/3/2009	150,000	138,291	11,709	
4	429	4023	07-9023	Ohkay Owingeh Head Start	19 Pueblos	STB/07	2/24/2009	135,000	134,938	62	
5	429	4027	07-9027	Mescalero Apache Water Tank	Apache Nat.	STB/07	11/21/2008	400,000	-	400,000	
6	429	9000	08-9000	Santa Clara Pueblo Regional Adult Day Care Center	19 Pueblos	GF/08	6/30/2011	500,000	381,100	118,900	
7	429	9002	08-9002	San Ildefonso Pueblo Mesa Vista Affordable Housing Develop	19 Pueblos	GF/08	6/30/2011	574,023	-	574,023	
8	429	9003	08-9003	Sandia Pueblo Community Water System Improvements	19 Pueblos	GF/08	6/30/2011	300,000	273,169	26,831	
9	429	9004	08-9004	Mexican Springs Chapter Road Improvement Project	Navajo Nat.	GF/08	6/30/2011	100,000	-	100,000	
10	429	9005	08-9005	San Felipe Pueblo Regional Wastewater Treatment Facility	19 Pueblos	GF/08	6/30/2011	500,000	362,154	137,846	
11	429	9006	08-9006	Huerfano & Nageezi Chapter Table Egg Production Facility	Navajo Nat.	GF/08	6/30/2011	340,000	-	340,000	
12	429	9007	08-9007	Isleta Pueblo Village Proper Water Main Replacement	19 Pueblos	GF/08	6/30/2011	750,000	19,749	730,251	
13	429	9008	08-9008	Nambe Pueblo Development Corporation New Water System	19 Pueblos	GF/08	6/30/2011	500,000	285,509	214,491	
14	429	9009	08-9009	Laguna Pueblo Water/Waste Water Infrastructure Planning Pro	19 Pueblos	GF/08	6/30/2011	50,000	-	50,000	
15	429	9010	08-9010	Shiprock Youth Home	Navajo Nat.	GF/08	6/30/2011	50,000	-	50,000	
16	429	9011	08-9011	Crownpoint Judicial & Public Safety Complex	Navajo Nat.	GF/08	6/30/2011	50,000	-	50,000	
17	429	9012	08-9012	Tohatchi Chapter Community Warehouse	Navajo Nat.	GF/08	6/30/2011	50,000	-	50,000	
18	429	9013	08-9013	Baahaali Chapter Pinehaven Development Site	Navajo Nat.	GF/08	6/30/2011	50,000	-	50,000	
19	429	9014	08-9014	Standing Rock Ch	Navajo Nat.	GF/08	6/30/2011	50,000	-	50,000	
20	429	9016	08-9016	Lake Valley Chapter Powerline Project	Navajo Nat.	GF/08	6/30/2011	50,000	-	50,000	
21	429	9017	08-9017	Tribal Infrastructure fund unassigned	Navajo Nat.	GF/08	6/30/2011	145,977	-	145,977	

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

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schdule of Capital Projects - Severance Tax Appropriations and State General Fund Appropriations
June 30, 2009

#	Fund Code	Org. Code	BOF/CPD Proj. #	Description	Tribal Govt.	Funding Source	Appr. End Date	Amt. Approp.	Amount	Unexpended/
								Or Reauth.	Expended	Uncommitted Balance
22	429	099000	09-9000	Zia Ambulatory Healthcare Center	19 Pueblos	STB/09	6/30/2012	750,000	-	750,000
23	429	099001	09-9001	Chichiltah Ch. County Road 6 Improvement Project	Navajo Nat.	STB/09	6/30/2012	650,000	-	650,000
24	429	099002	09-9002	Crownpoint Ch. Tsin Ya Nal Kidi Bathroom Addition	Navajo Nat.	STB/09	6/30/2012	294,397	-	294,397
25	429	099003	09-9003	Santo Domingo Pue Construct Fire/EMS/Safety Complex	19 Pueblos	STB/09	6/30/2012	705,000	-	705,000
26	429	099004	09-9004	Thoreau Ch. County Rd 27 improve Project-Phase II	Navajo Nat.	STB/09	6/30/2012	400,612	-	400,612
27	429	099005	09-9005	Coyote Canyon Ch House Renovation	Navajo Nat.	STB/09	6/30/2012	300,000	-	300,000
28	429	099006	09-9006	Zuni Pue Shiwi T'sana Walking Trail Project	19 Pueblos	STB/09	6/30/2012	80,000	-	80,000
29	429	099007	09-9007	Ojo Encino Ch powerline ext. franciscan Lake area	Navajo Nat.	STB/09	6/30/2012	269,288	-	269,288
30	429	099008	09-9008	Torreon/Star Lake Ch powerline ext 32 homes at Ant Hill	Navajo Nat.	STB/09	6/30/2012	703,559	-	703,559
31	429	099009	09-9009	Alamo Ch Water Improvement Project	Navajo Nat.	STB/09	6/30/2012	500,000	-	500,000
32	429	099010	09-9010	Acoma Pue Planning & Assessment Project	19 Pueblos	STB/09	6/30/2012	50,000	-	50,000
33	429	099011	09-9011	Cochiti Pue Kasha Katuwe Tent Rocks Visitor Center	19 Pueblos	STB/09	6/30/2012	50,000	32,952	17,048
34	429	099012	09-9012	Isleta Pueblo Long Term Elder Care Facility	19 Pueblos	STB/09	6/30/2012	50,000	-	50,000
35	429	099013	09-9013	Santa Clara Pue Comm Master Plan	19 Pueblos	STB/09	6/30/2012	50,000	-	50,000
36	429	099014	09-9014	Mariano Lake Ch Water System Improvements	Navajo Nat.	STB/09	6/30/2012	50,000	-	50,000
37	429	099015	09-9015	Ramah Ch. p/d road & water lines	Navajo Nat.	STB/09	6/30/2012	50,000	-	50,000
Total Project Funds 429								\$ 10,247,856	2,157,534	8,090,322

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

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*

December 8, 2009

Mr. Alvin H. Warren, Cabinet Secretary
New Mexico Indian Affairs Department
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual non-major governmental funds and all the budgetary comparisons presented as supplemental information of the State of New Mexico, Indian Affairs Department (Department), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 8, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record,

process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the State of New Mexico, Indian Affairs Department's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2009-1, 2009-2, 2009-3, 2009-4, and 2009-5, to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the State of New Mexico, Indian Affairs Department's internal control.

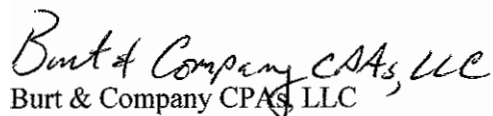
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2009-1 and 2009-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of New Mexico, Indian Affairs 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and in the accompanying schedule of findings and responses as items 2009-4, 2009-5, and 2009-6.

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

This report is intended solely for the information and use of management, others within the agency, the State Auditor, the New Mexico Department of Finance and Administration, the New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.


Burt & Company CPAs, LLC
Burt & Company CPAs, LLC

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schedule of Findings and Responses
June 30, 2009

I. Prior-Year Audit Findings

- A. Finding #2007-2 - Timeliness of Audit Report – Resolved
- B. Finding #2008-1 - Failure to Revert Unexpended State General Fund Appropriations to the State General Fund – Resolved

II. Current-Year Findings Pertaining to the Financial Statements

- A. Finding #2009-1 – Severance Tax Bond Fund Not Reconciled

Condition: Severance tax bond fund 10100 was not reconciled to amounts due from Board of Finance.

Criteria: Amounts that have been reimbursed to project recipients should be reconciled to draw downs received by the Board of Finance to balance the revenues with the expenditures.

Cause: Periodic monitoring of projects was not sufficient to detect amounts paid but not received.

Effect: A material adjustment was required to balance the fund.

Recommendation: Monthly monitoring to identify discrepancies should be performed as well as preparing a year end accrual and/or reconciliation.

Response: Severance Tax Bond project (invoices) were paid out before the draw request of the invoice amount was posted by Board of Finance. Our Capital Outlay Audit/Accountant Lynnette Cruz spoke to Sharon Romero at the Board of Finance to explain the cash flow issue Tribes Pueblo and Nations face and to let her know that projects cannot move forward without timely reimbursements. Ms. Cruz was given the approval by Ms. Romero to pay invoices prior to posting the draw request. A spread sheet has been generated with the assistance of our auditors to monitor revenues and expenditures on a monthly basis all Severance Tax Bond projects.

- B. Finding #2009-2 – Fund Balances Not Reconciled to Projects

Condition: Two fund balances in the Department's A-611 do not reconcile to internal schedules for amounts held for future expenditures.

Criteria: The fund balances for SHARE funds 10000 and 42900 should represent amounts reserved for future expenditures.

Cause: The internal schedule maintained by the Department does not appear to be reconciled on a frequent enough basis to identify discrepancies during the fiscal year.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schedule of Findings and Responses (continued)
June 30, 2009

II. Current-Year Findings Pertaining to the Financial Statements (continued)

B. Finding #2009-2 – Fund Balances Not Reconciled to Projects (continued)

Effect: There is a possibility that project balances are not properly reflected in the SHARE system.

Recommendations: The department should reconcile the project balances internally and notify the Capital Outlay Unit at DFA of discrepancies on a more frequent basis.

Response: There are still some Severance Tax Bond projects being reflected in fund 42900 and fund 10000. IAD staff has informed the Capital Outlay Unit at DFA of this; and in order to maintain the integrity of the projects, revenue and expenditures will continue to be monitored in fund 42900 and 10000 until the projects close. IAD staff has implemented a procedure to reconcile project balances on a monthly basis.

C. Finding #2009-3 – Compensated Absence Schedule Not Complete

Condition: One employee out of sixteen was not listed on the compensated absences schedule.

Criteria: All regular full time employees should be listed on the compensated absences schedule.

Cause: Listing was not reviewed for completeness to determine if all employees were accounted for.

Effect: Liability for compensated absences was understated by \$1,596.

Recommendations: Periodic review and reconciliation of SHARE reports should be performed to make sure that the Department is in agreement with SHARE records.

Response: The HCM leave balances are reviewed on a weekly basis. SHARE reports sometimes do not match the leave balances due to the posting of payrolls by the DFA central payroll department. IAD will continue to review and reconcile to the SHARE reports.

III. Current Year Findings In Accordance with N.M.A.C 2.2.2

A. Finding #2009-4 – Documentation for Disbursement Not Complete

Condition: During general and administrative expenditure disbursement testwork it was noted that an employee expense reimbursement did not have an Indian Affairs Department approval.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schedule of Findings and Responses (continued)
June 30, 2009

III. Current Year Findings In Accordance with N.M.A.C 2.2.2 (continued)

A. Finding #2009-4 – Documentation for Disbursement Not Complete (continued)

Criteria: New Mexico state statutes section 13-1-1 to 13-1-199 has established policies and procedures for purchases of goods and services.

Cause: Employee expense reimbursement was initially rejected and then subsequently approved; the original IAD approval was not attached to the supporting documentation.

Effect: The Department is not in compliance with state statutes. Non-compliance with the State of New Mexico statutes subjects officials and employees to penalties as required by statute.

Recommendation: All employee reimbursement expenditures should be reviewed and original approvals should be maintained to help insure compliance with expense reimbursement rules.

Response: All employee reimbursement expenditures are being reviewed by the ASD and the original documentation is kept with the reimbursement request.

B. Finding #2009-5 – Cash Reconciliation

Condition: The general fund's cash balance has a \$4,650 reconciliation difference from the general ledger.

Criteria: Per NMAC section 2.20.5.8.C(4) cash account records are to be reconciled in a timely manner each month to DFA and state treasurer reports.

Cause: Department personnel did not perform reconciliations of cash accounts.

Effect: The general fund cash activity does not reconcile to the trial balance.

Recommendation: Cash general ledger accounts should be reconciled and agreed to DFA and state treasurer records at least monthly as required by state statute.

Response: The \$4,650 amount is a balance forward from a prior year. ASD is working with DFA to acquire records from AFRAS, the accounting system prior to the SHARE system to identify the difference. The cash general ledger accounts are being reconciled to the DFA and state treasurer's records on a monthly basis.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
Schedule of Findings and Responses (continued)
June 30, 2009

III. Current Year Findings In Accordance with N.M.A.C 2.2.2 (continued)

C. Finding #2009-6 – Disposition of Tangible Personal Property

Condition: Capital assets were disposed of without notification to the Office of the New Mexico State Auditor and without evidence of approval by the governing authority.

Criteria: Per NMSA section 13-6-1, state agencies must notify the State Auditor and have obtained approval by the appropriate authority before acting on the deletion.

Cause: Department personnel did not comply with state laws.

Effect: The Department is not in compliance with state laws.

Recommendation: The Department should adhere to all state laws regarding the disposition of tangible personal property/capital assets.

Response: In this instance GSD was contacted who in turn picked up the capital assets to sell as surplus. IAD has had training regarding disposition of tangible personal property/capital assets and will adhere to all state laws in the future.

STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT
June 30, 2009

Financial Statement Preparation

The financial statements were substantially prepared by the auditor with the assistance of the Department. Management is responsible for ensuring that the books and records adequately support the preparation of financial statements in accordance with generally accepted accounting principles and that records are current and in balance.

Exit Conference

An exit conference was held on December 8, 2009, to discuss the audit. The following individuals were in attendance:

State of New Mexico – Indian Affairs Department

Alvin H. Warren, Cabinet Secretary
Marvis J. Aragon, Jr., Deputy Cabinet Secretary
Lillian Brooks, Administrative Services Director, Chief Financial Officer
Rebecca Martinez, Capital Projects

Independent Auditor – Burt & Company CPAs, LLC

Ronald E. Schranz, CPA
Robert M. Santiago, CPA