

**NEW MEXICO  
CRIME VICTIMS REPARATION COMMISSION**

**Financial Statements, Supplementary Information  
and  
Independent Auditors' Report**

**June 30, 2007**

NEW MEXICO  
CRIME VICTIMS REPARATION COMMISSION

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NEW MEXICO  
CRIME VICTIMS REPARATION COMMISSION

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**NEW MEXICO  
CRIME VICTIMS REPARATION COMMISSION  
LIST OF PRINCIPAL OFFICIALS  
June 30, 2008**

**Officials**

Cameron S. Crandall, M.D.	Chairman
Cris Sanchez	Vice-Chairman
Thomas Montoya	Member
Sherolyn Smith-De Santis	Member
Michelle Brown	Member

**Administrative Officials**

Larry Tackman	Commission Director
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**Independent Auditors' Report**

Mr. Hector H. Balderas, State Auditor and  
Mr. Cameron S. Crandall, Chairman and  
the Board of Commissioners  
New Mexico Crime Victims Reparation Commission

We have audited the accompanying financial statements of the governmental activities, each major fund, and the budgetary comparison of the major funds of the New Mexico Crime Victims Reparation Commission (Commission), as of and for the year ended June 30, 2008, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission'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 with 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 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.

The financial statement of the Commission are intended to present the financial position and the changes in financial position and budgetary comparisons of only that portion of the financial reporting entity of the State of New Mexico that is attributable to the transaction of the Commission. They do not purport to, and do not, present fairly the position of the State of New Mexico as of June 30, 2008, and the changes in its financial position and budgetary comparisons, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2008, and the respective changes in financial position, and the budgetary comparisons for the major funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Mr. Hector H. Balderas, State Auditor and  
Mr. Cameron S. Crandall, Chairman and  
the Board of Commissioners  
New Mexico Crime Victims Reparation Commission

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2008 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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 of the Commission. The supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. In addition, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Not-for-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Porch & Associates LLC*

Albuquerque, New Mexico  
December 13, 2008

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2008**

**Introduction**

The following discussion and analysis of Crime Victims Reparation Commission's financial performance provides the reader with a picture of the Commission's financial activities for the fiscal year ended June 30, 2008 as well as discussion as to how these activities compare to prior fiscal years.

This report consists of a number of financial statements. These reports are structured to show the financial condition within the Commission as whole as well as financial statements that segregate the financial condition existing in each of the three funds that the Department of Finance and Administration has approved for the Commission. These three funds, The General Fund, The Restitution Fund, and The Federal Grants Fund are discussed and analyzed in the following pages.

The Crime Victims Reparation Commission, created by Laws of 1981, Chapter 325, under the Crime Victims Reparation Act, has a stated purpose "to protect the citizens of New Mexico from the impact of crime and to promote a stronger criminal justice system through the encouragement of all citizens to cooperate with law enforcement efforts".

Crime Victims Reparation Commission's philosophy is "to effectively assist victims of crime to reduce the impact of crime on them; to strive for consistency, understanding, and advocacy for crime victims".

The total budget for fiscal year 08 for the Commission was \$7,727,400 with the majority of those funds, \$6,166,300 being budgeted for payments to victims of crime and the service providers and awards to agencies under contractual services and grants and services that provide services to victims of violent crime (object codes: 5352 and 5353 Professional Services Contracts; 5473 Care and Support; 5474 Grants and Services; and 5511 Other Financing Uses). This means 80% of our total budget directly supports our Commission's mission and vision.

During FY08, \$1,769,342 was paid on compensation claims. Object code 5473, Care and Support, are where these expenditures are reported.

**Reporting on Crime Victims Reparation Commission as a Whole**

**Financial Statement Presentation**

This report consists of a series of Financial Statements. The first two statements presented will be the government wide financial statements. They reflect the governmental activities of the Commission. These reports give the reader an overall picture of the Commission's financial activities.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2008**

**Reporting on Crime Victims Reparation Commission as a Whole (Continued)**

**Financial Statement Presentation (Continued)**

The first, the Statement of Net Assets, shows the Commission's assets less liabilities which then equals the net assets as of the end of the fiscal year. This statement is formatted in the traditional balance sheet format with the assets and liabilities being presented in the order of liquidity. The following schedule presents a summary of the statement, both for fiscal year 2007 and 2008 and the comparative difference from year to year.

	<u>FY07</u>	<u>FY08</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>Assets</b>				
Cash and investments	\$ 467,484	\$ 782,873	\$ 315,389	67.5%
Receivables	721,251	487,881	(233,370)	-32.4%
Capital assets, net of accumulated depreciation	<u>14,918</u>	<u>10,193</u>	<u>(4,725)</u>	-31.7%
<b>Total assets</b>	<u>\$ 1,203,653</u>	<u>\$ 1,280,947</u>	<u>\$ 77,294</u>	6.4%
<b>Liabilities</b>				
Current liabilities	\$ 934,086	\$ 739,896	\$ (194,190)	-20.8%
Long-term liabilities	<u>44,071</u>	<u>54,662</u>	<u>10,591</u>	24.0%
<b>Total liabilities</b>	<u>\$ 978,157</u>	<u>\$ 794,558</u>	<u>\$ (183,599)</u>	-18.8%
<b>Net assets</b>				
Investment in fixed assets	\$ 14,918	\$ 10,193	\$ (4,725)	-31.7%
Unrestricted	<u>210,578</u>	<u>476,196</u>	<u>265,618</u>	126.1%
<b>Total net assets</b>	<u>\$ 225,496</u>	<u>\$ 486,389</u>	<u>\$ 260,893</u>	115.7%

The second financial statement, the Statement of Activities, reports on the expenses (outflows) and revenues (inflows) of the Commission for the fiscal year. This is the fifth year of GASB 34 implementation, and this statement includes a depreciation expense of the Commission's capital assets. This financial statement will also identify any special or extraordinary items or transactions that occurred during the fiscal year. The following schedule presents a summary of the statement, both for fiscal year 2007 and 2008 and the comparative difference from year to year.



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2008**

**Reporting on Crime Victims Reparation Commission as a Whole (Continued)**

**Financial Statement Presentation (Continued)**

	<u>FY07</u>	<u>FY08</u>	<u>Dollar Change</u>	<u>% Change</u>
Program revenue				
Miscellaneous	\$ 13,027	\$ 2,057	\$ (10,970)	-84.2%
Restitution and refunds from providers	482,283	540,519	58,236	12.1%
Federal grants	<u>4,426,625</u>	<u>3,931,044</u>	<u>(495,581)</u>	-11.2%
Total program revenue	<u>4,921,935</u>	<u>4,473,620</u>	<u>(448,315)</u>	-9.1%
Expenses				
Personnel services	978,407	1,028,435	50,028	5.1%
Contractual services	209,118	253,957	44,839	21.4%
Other costs	5,743,072	5,119,138	(623,934)	-10.9%
Depreciation	<u>5,029</u>	<u>4,725</u>	<u>(304)</u>	-6.0%
Total expenses	<u>6,935,626</u>	<u>6,406,255</u>	<u>(529,371)</u>	-7.6%
Excess (deficiency) before transfers	(2,013,691)	(1,932,635)	81,056	-4.0%
Net transfers	<u>2,066,574</u>	<u>2,193,528</u>	<u>126,954</u>	6.1%
Change in net assets	52,883	260,893	208,010	393.3%
Net assets, beginning of year	<u>172,613</u>	<u>225,496</u>	<u>52,883</u>	30.6%
Net assets, end of year	<u>\$ 225,496</u>	<u>\$ 486,389</u>	<u>\$ 260,893</u>	115.7%

Both the Statement of Net Assets and the Statement of Activities include all assets and liabilities on the accrual basis, which is similar to the accounting methods used by private business. Revenues and expenses are reported regardless of when they are paid or received. The Commission has only governmental activities as it provides a service to the people of the State of New Mexico.

**Narrative of Commission's Financials as a Whole**

The Commission's Revenues and Expenditures did not exceed the budgeted target figures. The expenditures within each Department of Finance and Administration's approved appropriation unit did not exceed the approved budget numbers, both in total and within each of the three individual funds.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2008**

**Narrative of Commission's Financials as a Whole (Continued)**

The Commission's Revenues and Expenditures did not exceed the budgeted target figures. The expenditures within each Department of Finance and Administration's approved appropriation unit did not exceed the approved budget numbers, both in total and within each of the three individual funds.

The assets and liabilities for the year did not experience any significant changes from the prior fiscal year. Also, the revenue and expenditures from FY07 to FY08 had an approximate 9.1% decrease from year-to-year. The federal grant revenue is attributed for the majority of this change, as there was an 11.2% decrease in these funds. The Commission receives two federal formula grants, which are based on federal government monies collected for fines and penalties. The greater the payout by States for victim compensation, the less money that is rolled over to victim assistance grants, thereby decreasing the amount of funding.

There was no capital asset or long-term debt activity.

**Reporting on Individual Funds**

The fund financial statements report the Commission's operations in the traditional format. The capital assets and depreciation included in the government wide financial statements are omitted from the fund financials. The individual funds are defined and discussed in detail in the following section.

**General Fund**

This reverting fund was established upon the origination of the Commission. The general fund's revenues and expenditures, as reported in the financial statements, did not exceed the approved budget.

The expenditure breakdown within the individual appropriation units are as follows: 200 Personal Services and Employee Benefits was 96.6% of budget (99.0% for FY07); the 300 Contractual Services was 91.5% of budget (99.0% for FY07); the 400 Other was 99.9% of budget (99.8% for FY07).

In comparison to fiscal year 2007, the budget for fiscal year 2008 increased in total by 6%. The original and final budget amounts for FY08 remained the same.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2008**

**Restitution Fund**

This fund was authorized by Crime Victims Reparation Act (Section 31-22-12 and 33-8-8 NMSA, 1978 Compilation, as amended) and is restricted for care and support of victims. The revenue in this non-reverting fund comes from restitution payments ordered through the judicial system to be paid from sentenced offenders and also by statute fifteen percent of inmate wages earned in state correction facilities.

Because of the specific structure of this revenue, the only expenditures from this fund are from the Care and Support (5473) Object Code. These expenditures represent payments to victims of violent crime either directly or to the associated service providers. During fiscal year 08, the budget amount was \$450,000. At the end of fiscal year 08, the Commission had expenditures totaling \$264,500, or 59% of the budget.

**Federal Grants Fund**

This non-reverting fund is comprised of three different federal grant awards the Commission receives. All three grants are administered through the U.S. Department of Justice, Office of Justice Programs. The Victims of Crime Act (VOCA) assistance program provides funding to organizations that provide direct services to victims of violent crime throughout the state. The S.T.O.P. Violence Against Women Act (VAWA) program provides funding for organizations that combat crime against women. The Victims of Crime Act (VOCA) Victim Compensation program provides funds to pay victims of violent crime for costs incurred as a result of their victimization. All of these federal grant awards are multi-year awards and are budgeted over several state fiscal years. These funds are administered by Crime Victims Reparation Commission by an Executive Order issued by the Governor and must be maintained in a separate fund as required by PL 106-386.

As a whole, the federal grant programs did not experience any significant award increases or decreases from the previous fiscal year. All federal grant expenditures did not exceed the approved budget. Overall the federal grant programs budget increased from \$5,028,800 in fiscal year 2007 to \$5,034,600 in fiscal year 2008. This is a modest .1% increase overall.

The federal awards are multi-year and so funds that have not been expended in the previous fiscal year can be spent the following fiscal year and must be spent in total before the completion of the federal grant award period.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2008**

**Performance Budget Summary**

The Commission reports its measures and targets under two separate programs. The first program name is the Victim Compensation Program and the second is Federal Grant Administration.

There are five measures under the Victim Compensation Program. The target was met on four of these measures, however the Commission was not able to achieve the targeted goals within the "Efficiency" measures. In FY2008 the "Average number of days to process applications" increased from 120 days to 125 days.

The Federal Grant Administration Program reported on six measures for fiscal year 2008. Five of the six measures met their target objectives. The Efficiency measure, which targeted conducting site visits for 40% of the sub-grantees receiving federal funds in FY08, did not meet the target objective. CVRC was only able to conduct site visits for 36% of the sub-grantees. This is directly attributable to lack of available resources (time and personnel) required to achieve this goal.

**Future Financial Outlook for Commission**

There has been much discussion at the national level to reduce the VOCA funds that are granted to each state. At this time we have not received any official notification that those funds will be reduced or eliminated to our state. If those funds are eliminated, it will create a substantial decrease in our federal funds. The approximately \$2,000,000 that the Commission receives from the Department of Justice and then sub-grants to other governmental and non-profit entities throughout the state would be gone. The effect would be devastating – both to the Commission and to the other agencies that serve victims of violent crime.

The board of directors, management and staff at Crime Victim's Reparation Commission remain dedicated to providing the best possible service to victims of violent crime in New Mexico and delivering that service in a cost efficient manner for the taxpayers in New Mexico.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**STATEMENT OF NET ASSETS**  
**June 30, 2008**

**ASSETS**

Investments	\$	782,873
Receivables		
Federal grants		487,881
Capital assets, net of accumulated depreciation		<u>10,193</u>
<b>Total assets</b>		<u><u>1,280,947</u></u>

**LIABILITIES**

Accounts payable		522,737
Accrued compensation, benefits, and taxes		47,744
Due to state general fund - reversions		122,092
Due to federal grantors		43,492
Other liabilities		3,831
Noncurrent liabilities:		
Compensated absences, due in one year		38,078
Accrued sick leave, due in more than one year		<u>16,584</u>
<b>Total liabilities</b>		<u><u>794,558</u></u>

**NET ASSETS**

Invested in capital assets		10,193
Unrestricted		<u>476,196</u>
<b>Total net assets</b>	\$	<u><u>486,389</u></u>

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

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**STATEMENT OF ACTIVITIES**  
**June 30, 2008**

**Expenses**

Personnel services	\$ 1,028,435
Contractual services	253,957
Other costs	5,119,138
Depreciation	4,725

**Total expenses** 6,406,255

**Program Revenues**

Federal grants	3,931,044
Inmate restitutions	540,519
Miscellaneous	2,057

**Total program revenues** 4,473,620

**Transfers**

Transfers from the state general fund	2,194,900
Transfer - special appropriation	47,900
Less reversions to the state general fund	(49,272)

**Total transfers** 2,193,528

Change in Net Assets 260,893

Net Assets - Beginning of Year 225,496

Net Assets - End of Year \$ 486,389

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

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**

**BALANCE SHEET -**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2008**

	General	Corrections & Restitution	Federal Grants	Total
<b>ASSETS</b>				
Investments	\$ 185,151	581,706	16,016	782,873
Receivables				
Federal grants	-	-	487,881	487,881
<b>Total assets</b>	<b>\$ 185,151</b>	<b>581,706</b>	<b>503,897</b>	<b>1,270,754</b>

**LIABILITIES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$ 27,332	50,848	444,557	522,737
Accrued compensation, benefits, and taxes	35,727	-	12,017	47,744
Due to state general fund - reversions	122,092	-	-	122,092
Due to federal grantors	-	-	43,492	43,492
State dated warrants	-	-	3,831	3,831

<b>Total liabilities</b>	<b>185,151</b>	<b>50,848</b>	<b>503,897</b>	<b>739,896</b>
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**FUND BALANCES**

Unreserved, undesignated	-	530,858	-	530,858
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<b>Total liabilities and fund balances</b>	<b>\$ 185,151</b>	<b>581,706</b>	<b>503,897</b>	<b>1,270,754</b>
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**Amounts Reported in the Statement of Net Assets are Different Because:**

Fund balances of per the balance sheet	\$ 530,858
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	10,193
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Accrued compensated absences and sick leave not payable from current revenues.	(54,662)
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Net assets per the statement of net assets	<u>\$ 486,389</u>
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*The accompanying notes are an integral part of these financial statements.*

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2008**

	General	Corrections & Restitution	Federal Grants	Total
<b>Revenues</b>				
State general fund appropriation	\$ 2,194,900	-	-	2,194,900
Federal grants	-	-	3,931,044	3,931,044
Inmate restitutions	-	540,519	-	540,519
Miscellaneous	-	190	1,867	2,057
<b>Total revenues</b>	<b>2,194,900</b>	<b>540,709</b>	<b>3,932,911</b>	<b>6,668,520</b>
<b>Expenditures</b>				
<b>Current</b>				
Personnel services	772,933	-	244,911	1,017,844
Contractual services	234,057	-	19,900	253,957
Other costs	1,186,538	264,500	3,295,087	4,746,125
<b>Total expenditures</b>	<b>2,193,528</b>	<b>264,500</b>	<b>3,559,898</b>	<b>6,017,926</b>
Excess of revenues over expenditures before other financings sources (uses)	1,372	276,209	373,013	650,594
<b>Other Financing Sources (Uses)</b>				
Other financing sources	47,900	-	-	47,900
Other financing uses	-	-	(373,013)	(373,013)
Reversions to the state general fund	(49,272)	-	-	(49,272)
<b>Total other financing sources (uses)</b>	<b>(1,372)</b>	<b>-</b>	<b>(373,013)</b>	<b>(374,385)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>276,209</b>	<b>-</b>	<b>276,209</b>
Fund balance, beginning of year	-	254,649	-	254,649
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>530,858</b>	<b>-</b>	<b>530,858</b>

**Amounts Reported in the Statement of Activities are Different Because:**

Change in fund balance	\$ 276,209
Governmental funds do not report depreciation expense which is recorded in the statement of activities	(4,725)
Governmental funds do not report the net change in compensated absences or sick leave	(10,591)
Change in net assets per the statement of activities	<u>\$ 260,893</u>

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



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL - GENERAL FUND**

Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues</b>				
State general fund appropriation	\$ 2,242,800	2,242,800	2,194,900	(47,900)
<b>Total revenues</b>	<u>2,242,800</u>	<u>2,242,800</u>	<u>2,194,900</u>	<u>(47,900)</u>
<b>Expenditures</b>				
Current				
Personnel services	800,000	800,000	772,933	27,067
Contractual services	255,700	255,700	234,057	21,643
Other costs	1,187,100	1,187,100	1,186,538	562
<b>Total expenditures</b>	<u>2,242,800</u>	<u>2,242,800</u>	<u>2,193,528</u>	<u>49,272</u>
Excess of revenues over expenditures	-	-	1,372	1,372
<b>Other financing sources (uses)</b>				
Other financing sources	-	-	47,900	47,900
Reversions to the state general fund	-	-	(49,272)	(49,272)
<b>Total other financing uses</b>	<u>-</u>	<u>-</u>	<u>(1,372)</u>	<u>(1,372)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL - CORRECTIONS AND RESTITUTION  
Year Ended June 30, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Inmate restitutions	\$ 450,000	450,000	540,519	90,519
Miscellaneous	-	-	190	190
<b>Total revenues</b>	<b>450,000</b>	<b>450,000</b>	<b>540,709</b>	<b>90,709</b>
<b>Expenditures</b>				
Current				
Other costs	450,000	450,000	264,500	185,500
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>276,209</b>	<b>276,209</b>

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

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL - FEDERAL GRANTS**

**Year Ended June 30, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Federal grants	\$ 5,034,600	5,034,600	3,931,044	(1,103,556)
Miscellaneous	-	-	1,867	1,867
<b>Total revenues</b>	<b>5,034,600</b>	<b>5,034,600</b>	<b>3,932,911</b>	<b>(1,101,689)</b>
<b>Expenditures</b>				
<b>Current</b>				
Personnel services	238,600	238,600	244,911	(6,311)
Contractual services	28,000	28,000	19,900	8,100
Other costs	3,803,000	3,803,000	3,295,087	507,913
<b>Total expenditures</b>	<b>4,069,600</b>	<b>4,069,600</b>	<b>3,559,898</b>	<b>509,702</b>
Excess of revenues over expenditures	965,000	965,000	373,013	(591,987)
Other financing uses	(965,000)	(965,000)	(373,013)	591,987
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Entity.* The State of New Mexico Crime Victims Reparation Commission (Commission) was created in January 1981 under the provisions of the Crime Victims Reparation Act, Section 31-22-2, NMSA, 1978 Compilation. The Commission's objective is to protect the citizens of New Mexico from the impact of crime and to promote a stronger criminal justice system through the encouragement of all citizens to cooperate with law enforcement efforts. Implementation of the Crime Victims Reparation Act promotes the public health, welfare and safety of the citizens of New Mexico. The Commission receives requests from New Mexico citizens for monetary compensation for specific losses suffered as victims of certain crimes. The Commission grants monetary awards to those victims it deems eligible, following its review and investigation. The Commission's primary sources of revenue are appropriations from the State of New Mexico General Fund, restitution receipts, and Federal grants from the U.S. Department of Justice.

The Commission is a component unit of the State of New Mexico. These financial statements present the financial position and results of operations of only those SHARE funds over which the Commission has oversight responsibility.

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities.

**A. Financial Reporting Entity**

As required by GAAP, the financial statements present the Commission and entities for which the Commission is considered to be financially accountable. There are no component units for the fiscal year ended June 30, 2008.

*Government-Wide Financial Statements*

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the Commission. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) restitution payments made by convicted criminals, 2) fees for providing educational seminars to support providers, and 3) federal grants.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**A. Financial Reporting Entity (Continued)**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental Fund Financial Statements*

Governmental financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

Other revenues susceptible to accrual are investment income and charges for services. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are recorded.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**A. Financial Reporting Entity (Continued)**

The Commission presents the following major governmental funds:

*General Fund.* The general fund is the Commission's primary operating fund. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund. The primary funding source of the general fund is a general fund appropriation from the state of New Mexico. Funds not used at the end of the year must be reverted back to the state of New Mexico general fund.

*Corrections & Restitution Special Revenue Fund.* This fund accounts for funds received and used for the care and support of victims. Funding is primarily provided from restitution payments and fifteen percent of inmate's wages received in state correction facilities. Authority for the fund is the Crime Victims Reparation Act. This is a non-reverting fund as authorized under Section 31-22-12 and 33-8-8, NMSA 1978.

*Federal Grants Special Revenue Fund.* This fund accounts for funds received from the Federal Victims of Crime Act (VOCA) and Federal Violence Against Women Act (VAWA) grants. These federal grants provide for administrative expenses, support for services to crime victims, and support for provider organizations which provide direct services to victims throughout the state. The VAWA grant also provides funds to law enforcement agencies and District Attorney Offices to enhance investigation and prosecution of violence against women. Unused funds at the end of the grant period are due back to the awarding entity and do not revert to the State General Fund as required by PL 103-386.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
 (CONTINUED)**

**B. Capital Assets**

Capital assets, which include data processing equipment and furniture and equipment, are reported in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets are recorded at historical cost or estimated historical cost if purchased or construction. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Data processing equipment including computers	4 - 7 years
Furniture and equipment	4 - 10 years

The Audit Act, 12-6-10, NMSA 1978, requires all assets which cost more than \$5,000 and have a life greater than one year to be added to the General Fixed Asset Account Group and a yearly inventory of those assets must be taken.

**C. Annual Leave**

Qualified employees accumulate annual leave to a maximum of 240 hours as follows:

Total Years of Commission Service	Hours Earned Per Pay Period
To 3 years	3.08
Over 3 to 7 years	3.69
Over 7 to 11 years	4.61
Over 11 to 15 years	5.54
Over 15 years	6.15

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**C. Annual Leave (Continued)**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

**D. Accrued Sick Leave**

Chapter 150, Laws of 1983, provides for the payment to employees for accumulated sick leave under certain conditions. Employees who have over 600 hours of accumulated sick leave can receive payment for the hours over 600 up to 120 hours in a fiscal year. However, the sick leave will be paid at fifty percent of the employee's regular hourly wage. At retirement, employees can receive a payment of fifty percent of the value of up to 400 hours for the hours over 600 hours for accumulated sick leave. Employees who terminate receive no payment for accumulated sick leave. Therefore, the sick leave accrued at year-end represents the hours earned at year-end over 600 hours. Expenditures for accumulated sick pay for hours under 600 hours are recognized as employees take sick leave. Accrued vested sick pay is recorded as a liability in the Statement of Net Assets. Accrued sick leave in excess of 600 hours was \$16,584 at June 30, 2008.

**E. Fund Equity**

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions. There were no fund reservations or restrictions at year-end. Fund equity was reported as follows:

**Unreserved, undesignated** – Amounts which have not been reserved or designated for any purpose. These funds are available for unrestricted usage by the Commission.



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**F. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. There were no net asset restrictions at year-end. Net assets were reported as follows:

**Net assets invested in capital assets** – Consists of capital assets, net of accumulated depreciation.

**Unrestricted** – Amounts which have not been restricted by creditors, grantors or laws or regulations of other governments.

**G. Federal Grant Revenue**

Federal grant funds are recognized as revenue when the conditions of the grant are met. Grant funds received before costs are incurred are recorded as grant advances. Eligible grant-related expenditures incurred in advance of grant cash receipts are recorded as both grant revenue and a receivable.

**H. Other Operating Costs**

Other operating costs reported within the financial statements include operational costs (travel, supplies, maintenance, telecommunications, and equipment rental) as well as other direct program costs. Direct program costs are payments for the care and support of victims of crime and payments to provider organizations and enforcement agencies providing direct support services to victims as well as enhancing investigation and prosecution of violence against women. Direct payments to provider organizations that are other state agencies and other state government entities are reported as their financing uses (instead of expenditures) within the governmental funds. The reporting facilitates the state wide reporting of revenues and expenditures. All direct program costs are coordinated with an application and a review process administered by staff with financial determinations made by the Commission Board.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**I. Budgetary Information**

The Commission follows the following procedures in establishing the budget data reflected in the financial statements:

1. No later than September 1, the Commission submits to the Legislative Finance Committee (LFC), and the Department of Finance and Administration (DFA) an appropriation request for the fiscal year commencing the following July 1. The appropriation request includes proposed expenditures and the means of financing them.
2. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcomes of these hearings are incorporated into the General Appropriations Act.
3. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit.
4. No later than May 1, the Commission submits to the DFA an annual operating budget by category and line item based upon the appropriation made by the Legislature. The DFA Budget Division reviews and approves the operating budget, which becomes effective on July 1.
5. Budgetary control for expenditures is by category of expenditures. The Commission cannot exceed the total budgeted expenditures for each fund in order to maintain legal budget compliance.
6. Formal budgetary integration is employed as a management control device during the fiscal year for the governmental funds. The budgets for the governmental funds are adopted on the modified accrual basis, consistent with the General Appropriations Act.
7. When the appropriation period lapses, so does the authority for the budget. All unencumbered money within the general fund reverts to the State General Fund.
8. Any adjustment to the appropriated budget must be submitted to DFA in the form of a budget adjustment request. The original budget for the Commission for the year ended June 30, 2008, has not been amended.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2008**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**J. 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.

**K. Implementation of New Accounting Standards**

During the year ended June 30, 2008, the Commission adopted Government Accounting Standards Board Statement (GASB) No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* (GASB 48), GASB No. 49, *Pollution Remediation Obligations*, and GASB 50, *Pension Disclosures*. The GASBs will not have a material impact on the Commission's financial statements.

**NOTE 2. INVESTMENTS**

The Commission's investments are managed by the New Mexico State Treasurer's Office.

*Custodial Credit Risk.* Insurance and collateralization requirements are accounted for at the New Mexico State Treasurer Level.

*Interest Rate Risk.* The Commission does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising for increasing interest rates.

*Credit Risk.* The New Mexico State Treasurer's investment pools are not rated.

For additional disclosure information related to the above investments, the reader should see the separate audit report for the State Treasurer's Office for the fiscal year ended June 30, 2008. That report may be obtained by written request at P.O. Box 608, Santa Fe, New Mexico, 87504-0608.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, depreciated				
Office equipment	\$ 16,129	-	-	16,129
Office data processing equipment	63,342	-	(2,379)	60,963
<b>Total, depreciated</b>	<b>79,471</b>	<b>-</b>	<b>(2,379)</b>	<b>77,092</b>
Accumulated depreciation for				
Office equipment	15,498	322	-	15,820
Office data processing equipment	49,055	4,403	(2,379)	51,079
<b>Total accumulated depreciation</b>	<b>64,553</b>	<b>4,725</b>	<b>(2,379)</b>	<b>66,899</b>
<b>Total capital assets, depreciated, net</b>	<b>\$ 14,918</b>	<b>(4,725)</b>	<b>-</b>	<b>10,193</b>

Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities

General government \$ 4,725

**NOTE 4. LONG-TERM OBLIGATIONS**

During the year ended June 30, 2008, the following changes occurred:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Compensated absences	\$ 36,558	49,637	(48,117)	38,078	38,078
Accrued sick leave	7,513	13,679	(4,608)	16,584	-
<b>Total</b>	<b>\$ 44,071</b>	<b>63,316</b>	<b>(52,725)</b>	<b>54,662</b>	<b>38,078</b>

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 5. REVENUES AND RECEIVABLES**

General fund revenue is received from State of New Mexico General Fund appropriations. Unused funds must be reverted to the State General Fund.

Corrections & Restitution fund revenue is comprised of reparation awards and fifteen percent of inmate wages earned in state corrections facilities. The state is, upon payment of an award, subrogated to the right of action of the victim against the person responsible for the injury or death and may receive restitution for the amount of reparation paid. At June 30, 2008, there were no uncollected balances receivable from correctional institutions.

The Federal Grants Program receives funds from VOCA compensation grants and VAWA grants. These federal grants provide for administration expenses, support for services to crime victims and for payments to other organizations that provide direct services to victims throughout the state. The VAWA grant also provides funds to law enforcement agencies and district attorney offices to enhance the investigation and prosecution of violence against women. Unused funds returned from provider organizations are reallocated to other provider organizations. The amount reflected as receivables from federal grants represents eligible grant related expenditures incurred in the advance of grant cash receipts. At June 30, 2008 \$487,881 was receivable from the federal government under these grants.

**NOTE 6. DUE TO FEDERAL GRANTORS**

During the year-ending June 30, 2007, the state of New Mexico converted accounting systems to the SHARE system. During the conversion period the Commission did not have accurate data with which to calculate the amount of administrative funds due from federal grantors. As a result, the Commission drew \$144,219 more than it spent. The Commission paid back a portion of this amount during the year ending June 30, 2008. This remaining amount has been recorded as a due to federal grantor at June 30, 2008.

**NOTE 7. PERA PENSION PLAN**

*Plan Description.* Substantially all of the Commission's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 7. PERA PENSION PLAN (CONTINUED)**

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. That report may be obtained by writing to PERA, PO Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

*Funding Policy.* Plan members are required to contribute 7.42% of their gross salary, and the Commission is required to make a matching contribution of 16.59%. The contribution requirements of plan members and the Commission are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Commission's contributions to PERA for the years ending June 30, 2008, 2007, and 2006 were \$122,175, \$113,858, and, \$113,103, respectively, equal to the amount of the required contributions for each year.

**NOTE 8. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

*Plan Description.* The Commission contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board (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 NMRHCA effective date, in which event the time period required for employee and employer contributions shall become the 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.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 8. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)**

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. 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 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of the 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 requirement for the contributions can be changed by the New Mexico State Legislature.

The Commission's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006 were \$9,597, \$8,923 and \$8,862, respectively, which equal the required contributions for each year.

**NOTE 9. RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the government carries commercial insurance. The Commission maintains commercial insurance through the Risk Management Division for coverage for workers compensation, auto liability, general liability, civil rights, property and contents, and fidelity bonds. Management believes that an potential loss would be adequately covered by insurance and would not result in any material adverse effect on the financial condition of the Commission. During the past three years the Commission has not had any significant reductions in insurance coverage or settlements exceeding insurance coverage.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2008**

**NOTE 10. OPERATING LEASE**

The Commission has commitments with non-state entities to lease office space and equipment. The lease for office space began September 1999 and expires August 2009. The lease is subject to an early termination penalty. Future minimum lease payments under the lease are as follows:

2009	\$	72,390
2010		<u>12,065</u>
Total future minimum lease payments	\$	<u>84,455</u>

**NOTE 11. GRANT CONTINGENCIES**

The Commission receives federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement by the grantor agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the Commission's management, such disallowances, if any, will not be significant.

**NOTE 12. REVERSIONS TO THE STATE GENERAL FUND**

The amount shown on the balance sheet as Due to the State General Fund – Reversions is made up of the following reversions:

2006	\$	18,794
2007		54,026
2008		<u>49,272</u>
Total reversions due to the state general fund	\$	<u>122,092</u>



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**SCHEDULE OF PERFORMANCE DATA**  
**June 30, 2008**

<u>Type</u>	<u>Measure</u>	<u>FY08 Target Level</u>	<u>FY08 Year End Result</u>	<u>Met Target</u>
<b>Victim Compensation Program Performance Measures</b>				
Outcome	<p>Percent increase in the number of reparation applications received.</p> <p><i>Year-end Result Narrative</i> – In FY 2008 the Victim Compensation Program targeted a 2% increase in the number of applications received (efficiency), however for the second straight year these numbers decreased. Based on this information, the Commission has concluded that a saturation point has been reached with respect to the number of claims received, rendering any related measures invalid.</p>	2%	22%	Yes
Efficiency	<p>Percent of payment vouchers sent to DFA Financial Control within two working days or receipt of payment list.</p> <p><i>Year-end Results Narrative</i> – In FY 2008 the Victim Compensation Program targeted a 90% completion rate in which payment vouchers were sent to DFA within two working days of receipt of payment lists. Unfortunately, only a 60% compensation rate could be achieved. These results are directly attributable to the implementation of the new state-wide accounting system, SHARE. This system requires an additional step in the payment voucher process, in which each payment voucher entered must be budget checked by SHARE. Payment vouchers can not be printed and sent to DFA unless they have been budget checked, a process which often takes several days.</p>	90%	90%	Yes
Output	<p>Number of formal regional trainings conducted annually.</p> <p><i>Year-end Result Narrative</i> – Our only office is located in Albuquerque, yet we serve victims throughout the state. In order to reach the largest number of victims of violent crime, we depend on service providers who interface with those victims. Therefore, it is important that they are trained to provide victims information about the Commission and how to fill out our application.</p>	8	8	Yes

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**SCHEDULE OF PERFORMANCE DATA**  
**June 30, 2008**

<u>Type</u>	<u>Measure</u>	<u>FY08 Target Level</u>	<u>FY08 Year End Result</u>	<u>Met Target</u>
<b>Victim Compensation Program Performance Measures (Continued)</b>				
Output	<p>Number of formal internal staff trainings conducted annually.</p> <p><i>Year-end Results Narrative</i> – Our agency has experienced a marked decrease in staff turnover since FY 2003. We believe that providing staff with training regarding victim’s rights and issues has been a positive influence towards decreasing turnover and increasing morale.</p>	6	6	Yes
Efficiency	<p>Average number of days to process applications.</p> <p><i>Year-end Results Narrative</i> – We improved upon our results for FY 2008 by seven days. This means that payments to our clients are made on a timelier basis. We will continue to assess our procedures to reduce the number of processing days even further.</p>	120	125	No
<b>Federal Grant Administration Program Performance Measures</b>				
Efficiency	<p>Percent of site visits conducted.</p> <p><i>Year-end Results Narrative</i> – Grant administrators achieved the established goal to conduct a site visit for 30% of the sub recipients. This measure assists both the administrator and the sub recipient in ensuring grant compliance and will work to strengthen the relationship between the agency and sub recipient. This will improve service to victims of violent crimes.</p>	40%	36%	No
Outcome	<p>Percent increase in number of service units provided to victims of violent crime by grant sub recipients.</p> <p><i>Year-end Results Narrative</i> – By collaborating with other service providers and sharing resources, victims of violent crime are having more of their needs met. Our regional trainings to service providers gives them to tools and information they need to assist victims of crime receive needed services.</p>	2%	2%	Yes

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**SCHEDULE OF PERFORMANCE DATA**  
**June 30, 2008**

<u>Type</u>	<u>Measure</u>	<u>FY08 Target Level</u>	<u>FY08 Year End Result</u>	<u>Met Target</u>
<b>Federal Grant Administration Program Performance Measures (Continued)</b>				
Output	<p>Number of statewide training conferences held for service providers and victims advocates.</p> <p><i>Year-end Results Narrative</i> – In FY 2008 the Commission held the 12<sup>th</sup> annual Advocacy in Action conference. There were more than 600 attendees this year. In addition, we provided scholarships to law enforcement, probation and parole officers, child protective service workers, and court personnel. In addition, an advanced victim advocate training was held with 20 victim advocates in attendance from throughout the state.</p>	1	1	Yes
Output	<p>Number of training workshops conducted for sub recipients.</p> <p><i>Year-end Results Narrative</i> – The grant administrators exceeded the FY 2008 result by 2 workshops. With training workshops conducted throughout the year across the state, sub recipients receive vital information in correct federal grant reporting requirements as well as increased knowledge of the reparation application process. Trained sub recipients are less likely to submit incorrect statistical and financial reports, which improve the efficiency of the program.</p>	8	9	Yes
Efficiency	<p>Number of working days to complete payment voucher after completion of draw-down.</p> <p><i>Year-end Results Narrative</i> – There has been no turnover in the Commission position performing this function for five years which has enabled staff to continue to meet this target.</p>	4	2	Yes

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**SCHEDULE OF PERFORMANCE DATA**  
**June 30, 2008**

<u>Type</u>	<u>Measure</u>	<u>FY08 Target Level</u>	<u>FY08 Year End Result</u>	<u>Met Target</u>
<b>Federal Grant Administration Program Performance Measures (Continued)</b>				
Efficiency	<p>Percent of sub recipients that receive compliance monitoring via desk audits.</p> <p><i>Year-end Results Narrative</i> – Grant administrators achieved the established goal to complete desk audits for 80% of the sub recipients. This goal was achieved by utilizing the required reporting of sub recipients for review on a monthly and/or quarterly basis to ensure compliance with state and federal guidelines and to confirm the projects are providing the services to victims as outlined in the proposals.</p>	80%	80%	Yes

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF INVESTMENT ACCOUNTS**

**June 30, 2008**

<u>Depository</u>	<u>Account Name</u>	<u>Agency</u>	<u>Fund</u>	<u>Investment Balance</u>
NM State Treasurer	General Fund	78000	90900	\$ 185,151
NM State Treasurer	Restitution	78000	06300	581,706
NM State Treasurer	VOCA - Federal	78000	91600	<u>16,016</u>
<b>Total investment accounts</b>				<b><u><u>\$ 782,873</u></u></b>

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended June 30, 2008**

Grantor Agency and Grant Title	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Justice</b>		
VOCA - Crime Victims Assistance		
2004-VA-GX-0049	16.575	19,814
2005-VA-GX-0033	16.575	41,410
2006-VA-GX-0042	16.575	718,297
2007-VA-GX-0023	16.575	1,721,236
		<u>2,500,757</u>
VOCA - Crime Victim Compensation		
2007-VC-GX-0002	16.576	464,122
VAWA - Violence Against Women Formula Grants		
2004-WF-AX-0038	16.588	33,660
2005-WF-AX-0020	16.588	44,352
2006-WF-AX-0015	16.588	789,293
		<u>867,305</u>
<b>Total expenditures of federal awards</b>		<u><u>\$ 3,832,184</u></u>
<b>Reconciliation to the Statement of Revenues and Expenditures and Changes in Fund Balances - Governmental Funds:</b>		
Total expenditures		\$ 3,559,898
Other financing uses		373,013
Administrative expenses not covered by grant money		(100,727)
		<u><u>\$ 3,832,184</u></u>

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
June 30, 2008**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Commission. The schedule is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Not-for-Profit Organizations*.

**NOTE 2. PASS-THROUGH TO SUBRECIPIENTS**

The Commission was the pass-through agent for Crime Victims Assistance and Violence Against Women Formula Grants in the amounts of \$2,389,979 and \$760,158, respectively.

# PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS  
3915 CARLISLE BLVD NE  
ALBUQUERQUE, NM 87107

## **Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Governmental Auditing Standards***

Mr. Hector H. Balderas, State Auditor and  
Mr. Cameron S. Crandall, Chairman and  
the Board of Commissioners  
New Mexico Crime Victims Reparation Commission

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and budgetary comparisons, of the New Mexico Crime Victims Reparation Commission (Commission), as of and for the year ended June 30, 2008, which collectively comprise the Commission's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 13, 2008. We also have audited the financial statements of each of the Commission's nonmajor governmental funds and individual fund financial statements and schedules, and budgetary comparisons, as of and for the year ended June 30, 2008, as listed in the table of contents. 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 Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 entity's ability to initiate, authorize, record, process, or report financial data reliably in



Mr. Hector H. Balderas, State Auditor and  
Mr. Cameron S. Crandall, Chairman and  
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New Mexico Crime Victims Reparation Commission

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 entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting: 07-2.

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 statement will not be prevented or detected by the entity'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 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, we believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 test disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 04-3.

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

This report is intended solely for the information and use of the Commission's management, the Department of Finance and Administration, the New Mexico State Legislature, the Office of the State Auditor and the Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Perch & Associates LLC*

Albuquerque, New Mexico  
December 13, 2008

# PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS  
3915 CARLISLE BLVD NE  
ALBUQUERQUE, NM 87107

## **Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133**

Mr. Hector H. Balderas, State Auditor and  
Mr. Cameron S. Crandall, Chairman and  
the Board of Commissioners  
New Mexico Crime Victims Reparation Commission

### Compliance

We have audited the compliance of the New Mexico Crime Victims Reparation Commission (Commission) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to each of the Commission's major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

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

Mr. Hector H. Balderas, State Auditor and  
Mr. Cameron S. Crandall, Chairman and  
the Board of Commissioners  
New Mexico Crime Victims Reparation Commission

In our opinion, the Commission complied, in all material respects, with the requirements referred to above that are applicable to its major Federal program for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 07-4, and 07-5.

#### Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 07-5 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 07-5 to be a material weakness.

Mr. Hector H. Balderas, State Auditor and  
Mr. Cameron S. Crandall, Chairman and  
the Board of Commissioners  
New Mexico Crime Victims Reparation Commission

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

This report is intended solely for the information and use of the Commission's management, the Department of Finance and Administration, the New Mexico State Legislature, the Office of the State Auditor and the Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Porch & Associates LLC*

Albuquerque, New Mexico  
December 13, 2008

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2008**

04-02	Grant Bank Account Reconciliation	Resolved
04-03	Reversions to the State General Fund	Modified and repeated
07-1	Due Date of Audit Report	Resolved
07-2	Preparation of Financial Statements	Modified and repeated
07-3	Submission of Data Collection Form for the Single Audit	Resolved
07-4	Federal Grant Compliance	Modified and repeated
07-5	Tracking of Administrative Expenses and Administrative Drawdowns	Modified and repeated

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the Commission.
2. Two reportable conditions disclosed during the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*. The reportable conditions are shown in Part B. There were no reportable conditions identified as material weaknesses.
3. Two instances of noncompliance material to the financial statement of the Commission were disclosed during the audit.
4. Two reportable condition were disclosed during the audit of the major federal award programs and is shown in Part C. There was one reportable condition identified as a material weakness.
5. The auditors' report on compliance for the major federal award programs for the Commission expresses an unqualified opinion.
6. There was one audit finding relative to the major federal award programs for the Commission.
7. The programs tested as major programs included:

	<b>CFDA Number</b>
VOCA – Crime Victims Assistance	16.575
VOCA – Crime Victims Compensation	16.576
VAWA – Violence Against Women Formula Grants	16.588
8. The dollar threshold used for distinguishing between Type A and B programs of the Commission was \$300,000.
9. The Commission was determined to be a high risk auditee.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**04-03 Reversions to the State General Fund**

**CONDITION**

The Commission receives an annual appropriation from the State of New Mexico General Fund. The appropriation required unspent and unencumbered funds to be reverted back to the General Fund by September 30<sup>th</sup>. The Commission did not pay to the General Fund its 2006, 2007, or 2008 reversions by the September 30<sup>th</sup> due date. The total reversion due to the General Fund is \$122,092.

**CRITERIA**

Section 6-5-10, NMSA 1978, requires reversions to be made to the General Fund by September 30<sup>th</sup>.

**CAUSE**

There was a change in personnel in the accounting department. In addition, the state of New Mexico converted accounting systems to the SHARE system. The new accounting staff was overburdened with the SHARE conversion and did not make the reversion payment.

**EFFECT**

The Commission is holding cash that belongs to the General Fund. As a result, the Commission may believe that they have more spendable cash than they have available. The Commission is also not in compliance with the Appropriations Act.

**RECOMMENDATION**

The Commission should establish a procedure to calculate a preliminary reversion shortly after the end of the fiscal year. This amount should be paid to the General Fund. A final reversion amount should be calculated after the annual audit is complete.

**MANAGEMENT RESPONSE**

The Commission will ensure that a reversion calculation is completed to determine the difference, if any, between appropriations received and expenditures. Based on the results, a cash reversion will be completed prior to September 30<sup>th</sup> each fiscal year.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**07-2 Preparation of Financial Statements (Significant Deficiency)**

**CONDITION**

The Auditing Standards Board has issued *Statement on Auditing Standards No. 112, Communicating Internal Control Related Matters Identified in and Audit* (SAS 112). The new standard provides guidance to auditors on communicating matters related to an entity's internal control over financial reporting identified in an audit of financial statements. The standard requires the auditor to evaluate identified control deficiencies and determine whether these deficiencies, individually or in combination, are significant deficiencies or material weaknesses.

SAS 112 provides examples of circumstances that may be control deficiencies, significant deficiencies or material weaknesses (these terms are defined in the report on internal control above). One of the examples provided by SAS 112 is:

Employees or management who lack the qualifications and training to fulfill their assigned functions. For example, in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.

The auditor prepares the financial statements for the Commission because Commission staff does not have the training or experience to prepare financial statements.

**CRITERIA**

The Commission's accounting staff should have the training and experience necessary to prepare the Commission's financial statements. SAS 112 indicates that a lack of qualifications to prepare the financial statements is a control deficiency.

**CAUSE**

The Commission's accounting staff has not been trained on Governmental Accounting Standards and the related procedures to prepare financial statements.

**EFFECT**

The Commission's management and accounting staff may not be able to detect errors in reporting or financial presentation if they exist. Management may not be qualified to review the financial statements prepared by the auditor.



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)**

**07-2 Preparation of Financial Statements (Significant Deficiency) (Continued)**

**RECOMMENDATION**

We recommend that Commission employees who participate in the accounting function obtain training in governmental accounting and the preparation of financial statements.

**MANAGEMENT RESPONSE**

The Commission's interpretation of this statement is that client personnel (staff accountant, book keeper, management) should be able to understand and evaluate the work performed by the auditor. The Commission is confident that the current Chief Financial Officer's financial experience is more than adequate to review and detect material misstatements in financial statements prepared externally. However, because the commission appreciates and values the findings in this report, we will ensure that each occupant of the Chief Financial Officer position receives sufficient training in governmental accounting and preparation of financial statements.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD  
PROGRAM AUDIT**

**07-4 Federal Grant Compliance (Significant Deficiency)**

**CONDITION**

Testwork was performed on the VOCA and VAWA federal grants in order to determine compliance with the grant agreements.

We noted the following for the VOCA Victim Assistance grant:

**Reporting:**

- Three of the 269 reports for grant 2006-VA-GX-0042 were submitted after the due date. One was submitted 1 day late, one was submitted 3 days late, and one was submitted 6 days late.
- Three of the 269 reports for grant 2007-VA-GX-0023 were submitted after the due date. One was submitted 1 day late, one was submitted 3 days late, and one was submitted 6 days late.

We noted the following for the VOCA Victim Compensation grant:

**Reporting:**

- Three of the 269 reports for grant 2006-VC-GX-0026 were submitted after the due date. One was submitted 1 day late, one was submitted 3 days late, and one was submitted 5 days late.
- Three of the 269 reports for grant 2007-VC-GX-0002 were submitted after the due date. One was submitted 1 day late, one was submitted 3 days late, and one was submitted 5 days late.

We noted the following for the VAWA grant:

**Reporting:**

- Three of the 269 reports for grant 2005-WF-AX-0020 were submitted after the due date. One was submitted 1 day late, one was submitted 3 days late, and one was submitted 5 days late.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD  
PROGRAM AUDIT (CONTINUED)**

**07-4 Federal Grant Compliance (Continued)**

**CONDITION (CONTINUED)**

- Three of the 269 reports for grant 2006-WF-AX-0015 were submitted after the due date. One was submitted 1 day late, one was submitted 3 days late, and one was submitted 5 days late.
- Three of the 269 reports for grant 2007-WF-AX-0020 were submitted after the due date. One was submitted 1 day late, one was submitted 3 days late, and one was submitted 5 days late.

**Matching:**

- We tested the final 269 report for grant 2005-WF-AX-0020. We noted the match reported was \$324,162 for the grant award of \$1,093,000. We calculated the match requirement to be \$364,333 ( $\$1,093,000/75\% * 25\%$ ). The match reported on the final 269 report was \$40,171 below the minimum required match for the award.

**CRITERIA**

- As per the Department of Justice, Financial Guide, the SF-269s must be submitted online no later than 45 days after the last day of each quarter.
- As per the OVW FY 2008 STOP Violence Against Women Formula Grant Program, awards to states under this grant program may support up to 75% of the total cost of each project. The State is responsible for ensuring compliance with the 25% nonfederal match requirement.

**CAUSE**

There was a change in personnel in the accounting department. In addition, the state of New Mexico converted accounting systems to the SHARE system. The new accounting staff was overburdened with the SHARE conversion and did not have all of the data or reporting necessary to comply with the grant requirements.

There are also not adequate internal controls in place to ensure the minimum required match is being met and properly recorded on 269 reports. Matches by subgrantees were reported but the required match on administrative funds drawn down was not reported.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**C. FINDINGS AND QUESTIONED COSTS -- MAJOR FEDERAL AWARD PROGRAM AUDIT (CONTINUED)**

**07-4 Federal Grant Compliance (Significant Deficiency) (Continued)**

**EFFECT**

The Commission could be denied future federal funds, or have future funds reduced.

In addition, grant recipients who do not submit SF-269s by the due date will be unable to drawdown funds. The payment system contains an edit that checks for SF-269 delinquency and will reject a drawdown attempt if the SF-269 is not up to date. The Commission may be prohibited from drawing funds.

**RECOMMENDATION**

The Commission should consider developing procedures to ensure that grant reporting and cash management requirements are complied with.

The Commission should also consider developing internal controls that will calculate the minimum required match for grants. A tracking system should also be established to ensure all matching funds are reported and the Commission has met the minimum match.

**MANAGEMENT RESPONSE**

The Commission has policies in place to ensure adherence to the timeliness of financial transactions as required by the Department of Justice's Financial Guide. Our policies include requirements for the financial department to complete Federal Draw-Downs and create payment vouchers within ten days of receiving approved grantee invoices from the Grants department and submission of the SF-269's within 45 days after the last day of each quarter.

Unfortunately, as cited in the cause of this finding, personnel turn-over and issues related to the conversion in accounting systems in FY2008 created difficulties in completing these financial transactions in a timely manner. The Commission believes these issues have been resolved in FY2008 and will take any additional measures necessary to ensure payment vouchers are created within 10 days of Federal cash disbursements and the SF-269's are submitted within 45 days after the last day of each quarter.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD  
PROGRAM AUDIT (CONTINUED)**

**07-5 Tracking of Administrative Expenses and Administrative Drawdowns –  
MATERIAL WEAKNESS**

**CONDITION**

The Commission is allowed 10% of each grant award to cover administrative expenses. The Commission is required to request drawdowns based on actual expenses. During the year under audit, the state of New Mexico converted accounting systems to the SHARE system. This new system was not immediately capable of providing information the Commission needed to know what its administrative expenses were, or the cash available to cover the expenses. As a result, the Commission requested \$43,492 in administrative money that was in excess of what was actually spent.

**CRITERIA**

As per the Department of Justice, Financial Guide, recipients should request funds in amounts necessary to cover actual administrative expenses.

**CAUSE**

The state of New Mexico converted accounting systems to the SHARE system. The new accounting staff was overburdened with the SHARE conversion and did not have all of the data or reporting necessary to comply with the grant requirements.

In addition, the Commission did not have a procedure in place to reconcile the amount of actual administrative expenses per grant to the total administrative expenses drawn down for each grant.

**EFFECT**

The Commission owes grantors \$43,492 in unspent administrative expense draws. The Commission will need to spend the money before it can draw down additional administrative expenses.

**RECOMMENDATION**

The Commission should develop a procedure to reconcile and track actual administrative expenses per grant to the amount of administrative drawdowns by grant.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2008**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD  
PROGRAM AUDIT (CONTINUED)**

**07-5 Tracking of Administrative Expenses and Administrative Drawdowns –  
MATERIAL WEAKNESS (CONTINUED)**

**MANAGEMENT RESPONSE**

The Commission is in the process of developing and implementing policies and procedures to track and reconcile Federal grant administrative expenditures and request reimbursement for these expenditures on an actual basis.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
EXIT CONFERENCE  
Year Ended June 30, 2008**

An exit conference was held on December 15, 2008, and attended by the following:

New Mexico Crime Victims Reparation Commission

Larry Tackman, Director  
Cameron Crandall, MD, Chairman of the Board  
Andrew Silva, Chief Financial Officer

Porch & Associates LLC

Thad Porch, Partner

\* \* \* \* \*

The financial statements were prepared by Porch & Associates LLC from the books and records of the New Mexico Crime Victims Reparation Commission. However, the contents of these financial statements remain the responsibility of the Commission's management.