

PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

NEW MEXICO CRIME VICTIMS REPARATION COMMISSION

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

June 30, 2009

NEW MEXICO
CRIME VICTIMS REPARATION COMMISSION

TABLE OF CONTENTS

INTRODUCTORY SECTION

	Page
List of Principal Officials	i

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	3

Basic Financial Statements

Statement of Net Assets	9
Statement of Activities.....	10
Balance Sheet – Governmental Funds.....	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	12
Statement of Revenues and Expenditures - Budget and Actual:	
General Fund	13
Corrections & Restitution Fund	14
Federal Grants Fund	15
Notes to Financial Statements.....	16

NEW MEXICO
CRIME VICTIMS REPARATION COMMISSION

TABLE OF CONTENTS (CONTINUED)

Supplementary Information

Schedule of Performance Data	29
Schedule of Investment Accounts.....	33
Schedule of Expenditures of Federal Awards.....	34
Notes to the Schedule of Expenditures of Federal Awards	35
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	36
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	38
Summary Schedule of Prior Audit Findings.....	41
Schedule of Findings and Questioned Costs.....	42
Exit Conference	46

**NEW MEXICO
CRIME VICTIMS REPARATION COMMISSION
LIST OF PRINCIPAL OFFICIALS
June 30, 2009**

Officials

Cameron S. Crandall, M.D.	Chairman
Cris Sanchez	Vice-Chairman
Thomas Montoya	Member
Joan Shirley	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, 2009, 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. The do not purport to, and to not, present fairly the position of the State of New Mexico as of June 30, 2009, 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 and each major fund of the Commission, as of June 30, 2009, 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 3, 2009 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.

Perch & Associates LLC

Albuquerque, New Mexico
December 3, 2009

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2009**

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, 2009 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 09 for the Commission was \$7,565,800 with the majority of those funds, \$6,080,500 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 5551 Other Financing Uses). This means 80% of our total budget directly supports our Commission's mission and vision.

During FY09, \$2,372,725 was expensed to compensation claims, as reported under object code 5473, Care and Support.

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, 2009**

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 2008 and 2009 and the comparative difference from year to year.

	<u>FY08</u>	<u>FY09</u>	<u>Dollar Change</u>	<u>% Change</u>
Assets				
Cash and investments	\$ 782,873	\$ 623,582	\$ (159,291)	-20.3%
Receivables	487,881	649,487	161,606	33.1%
Capital assets, net of accumulated depreciation	<u>10,193</u>	<u>6,058</u>	<u>(4,135)</u>	-40.6%
Total assets	<u>\$ 1,280,947</u>	<u>\$ 1,279,127</u>	<u>\$ (1,820)</u>	-0.1%
Liabilities				
Current liabilities	\$ 739,896	\$ 838,518	\$ 98,622	13.3%
Long-term liabilities	<u>54,662</u>	<u>51,086</u>	<u>(3,576)</u>	-6.5%
Total liabilities	<u>\$ 794,558</u>	<u>\$ 889,604</u>	<u>\$ 95,046</u>	12.0%
Net assets				
Investment in fixed assets	\$ 10,193	\$ 6,058	\$ (4,135)	-40.6%
Unrestricted	<u>476,196</u>	<u>383,465</u>	<u>(92,731)</u>	-19.5%
Total net assets	<u>\$ 486,389</u>	<u>\$ 389,523</u>	<u>\$ (96,866)</u>	-19.9%

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 2008 and 2009 and the comparative difference from year to year.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2009**

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

Financial Statement Presentation (Continued)

	<u>FY08</u>	<u>FY09</u>	<u>Dollar Change</u>	<u>% Change</u>
Program revenue				
Miscellaneous	\$ 2,057	\$ 18,081	\$ 16,024	779.0%
Restitution and refunds from providers	540,519	644,169	103,650	19.2%
Federal grants	<u>3,931,044</u>	<u>4,001,456</u>	<u>70,412</u>	1.8%
Total program revenue	<u>4,473,620</u>	<u>4,663,706</u>	<u>190,086</u>	4.2%
Expenses				
Personnel services	1,028,435	1,173,238	144,803	14.1%
Contractual services	253,957	281,320	27,363	10.8%
Other costs	5,119,138	5,559,935	440,797	8.6%
Depreciation	<u>4,725</u>	<u>4,135</u>	<u>(590)</u>	-12.5%
Total expenses	<u>6,406,255</u>	<u>7,018,628</u>	<u>612,373</u>	9.6%
Excess (deficiency) before transfers	(1,932,635)	(2,354,922)	(422,287)	21.9%
Net transfers	<u>2,193,528</u>	<u>2,258,056</u>	<u>64,528</u>	2.9%
Change in net assets	260,893	(96,866)	(357,759)	-137.1%
Net assets, beginning of year	<u>225,496</u>	<u>486,389</u>	<u>260,893</u>	115.7%
Net assets, end of year	<u>\$ 486,389</u>	<u>\$ 389,523</u>	<u>\$ (96,866)</u>	-19.9%

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 budgeted funds.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2009**

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 FY08 to FY09 had an approximate 9.6 and 4.2% change from year-to-year. The federal grant revenue is attributed for the majority of this change, as there was a 1.8% increase 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 98.7% of budget (99.0% for FY08); the 300 Contractual Services was 99.0% of budget (99.0% for FY08); the 400 Other was 99.4% of budget (99.8% for FY08).

In comparison to fiscal year 2008, the budget for fiscal year 2009 decreased in total by 2%. The original and final budget amounts for FY09 realized a net increase of \$491,900. The net increase consisted of a decrease in the General Fund Appropriation of 2.5% or \$58,100; an increase of the Restitution fund by \$300,000 to pay for increased payments to victims of violent crimes; and, an increase of the Federal funds by \$250,000 to pay for increased payments to victims of violent crimes.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2009**

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 09, the budget amount was \$425,000. At the end of fiscal year 09, the budget had been increased to \$750,000. The Commission expended 87% of the budget or \$653,787.

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 \$5,034,600 in fiscal year 2008 to \$5,045,300 in fiscal year 2009. This is less than a .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, 2009**

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 FY2009 the "Average number of days to process applications" increased from 120 days to 134 days. This is due to insufficient staffing required to process 11% increase in claims.

The Federal Grant Administration Program reported on six measures for fiscal year 2008. Six of the six measures met their target objectives.

Future Financial Outlook for Commission

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, 2009

ASSETS

Investments	\$	623,582
Receivables		
Federal grants		611,986
Restitution		37,501
Capital assets, net of accumulated depreciation		<u>6,058</u>
Total assets		<u>1,279,127</u>

LIABILITIES

Accounts payable		627,182
Accrued compensation, benefits, and taxes		53,898
Due to state general fund - reversions		137,967
Due to federal grantors		15,640
Other liabilities		3,831
Noncurrent liabilities:		
Compensated absences, due in one year		44,829
Accrued sick leave, due in more than one year		<u>6,257</u>
Total liabilities		<u>889,604</u>

NET ASSETS

Invested in capital assets		6,058
Unrestricted		<u>383,465</u>
Total net assets	\$	<u><u>389,523</u></u>

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

NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
STATEMENT OF ACTIVITIES
June 30, 2009

Expenses

Personnel services	\$ 1,173,238
Contractual services	281,320
Other costs	5,559,935
Depreciation	4,135

Total expenses	<u>7,018,628</u>
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Program Revenues

Federal grants	4,001,456
Inmate restitutions	644,169
Miscellaneous	18,081

Total program revenues	<u>4,663,706</u>
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Transfers

Transfers from the state general fund	2,273,931
Less reversions to the state general fund	<u>(15,875)</u>

Total transfers	<u>2,258,056</u>
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Change in Net Assets	(96,866)
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Net Assets - Beginning of Year	<u>486,389</u>
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Net Assets - End of Year	<u><u>\$ 389,523</u></u>
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The accompanying notes are an integral part of these financial statements.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
BALANCE SHEET -
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	General	Corrections & Restitution	Federal Grants	Recovery Act	Total
ASSETS					
Investments	\$ 210,680	412,902	-	-	623,582
Receivables					
Federal grants	-	-	485,410	126,576	611,986
Restitution	-	37,501	-	-	37,501
Due from other funds	52,732	-	27,708	-	80,440
Total assets	\$ 263,412	450,403	513,118	126,576	1,353,509
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 71,127	212	429,267	126,576	627,182
Accrued compensation, benefits, and taxes	42,250	-	11,648	-	53,898
Due to other funds	12,068	15,640	52,732	-	80,440
Due to state general fund - reversions	137,967	-	-	-	137,967
Due to federal grantors	-	-	15,640	-	15,640
Stale dated warrants	-	-	3,831	-	3,831
Total liabilities	263,412	15,852	513,118	126,576	918,958
FUND BALANCES					
Unreserved, undesignated	-	434,551	-	-	434,551
Total liabilities and fund balances	\$ 263,412	450,403	513,118	126,576	1,353,509

Amounts Reported in the Statement of Net Assets are Different Because:

Fund balances of per the balance sheet	\$ 434,551
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	6,058
Accrued compensated absences and sick leave not payable from current revenues.	(51,086)
Net assets per the statement of net assets	<u>\$ 389,523</u>

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, 2009**

	General	Corrections & Restitution	Federal Grants	Recovery Act	Total
Revenues					
State general fund appropriation	\$ 2,241,900	-	-	-	2,241,900
Federal grants	-	-	4,001,456	-	4,001,456
Inmate restitutions	-	517,593	-	126,576	644,169
Miscellaneous	-	18,081	-	-	18,081
Total revenues	2,241,900	535,674	4,001,456	126,576	6,905,606
Expenditures					
Current					
Personnel services	907,194	-	269,620	-	1,176,814
Contractual services	261,251	-	20,069	-	281,320
Other costs	1,078,080	643,512	3,456,001	126,576	5,304,169
Total expenditures	2,246,525	643,512	3,745,690	126,576	6,762,303
Excess of revenues over expenditures before other financings sources (uses)	(4,625)	(107,838)	255,766	-	143,303
Other Financing Sources (Uses)					
Other financing sources	20,500	11,531	-	-	32,031
Other financing uses	-	-	(255,766)	-	(255,766)
Reversions to the state general fund	(15,875)	-	-	-	(15,875)
Total other financing sources (uses)	4,625	11,531	(255,766)	-	(239,610)
Net change in fund balances	-	(96,307)	-	-	(96,307)
Fund balance, beginning of year	-	530,858	-	-	530,858
Fund balance, end of year	\$ -	434,551	-	-	434,551

Amounts Reported in the Statement of Activities are Different Because:

Change in fund balance	\$ (96,307)
Governmental funds do not report depreciation expense which is recorded in the statement of activities	(4,135)
Governmental funds do not report the net change in compensated absences or sick leave	3,576
Change in net assets per the statement of activities	<u>\$ (96,866)</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
State general fund appropriation	\$ 2,262,400	2,262,400	2,241,900	(20,500)
Total revenues	<u>2,262,400</u>	<u>2,262,400</u>	<u>2,241,900</u>	<u>(20,500)</u>
Expenditures				
Current				
Personnel services	902,900	902,900	907,194	(4,294)
Contractual services	285,000	285,000	261,251	23,749
Other costs	1,074,500	1,074,500	1,078,080	(3,580)
Total expenditures	<u>2,262,400</u>	<u>2,262,400</u>	<u>2,246,525</u>	<u>15,875</u>
Excess of revenues over expenditures	-	-	(4,625)	(4,625)
Other financing sources (uses)				
Other financing sources	-	-	20,500	20,500
Reversions to the state general fund	-	-	(15,875)	(15,875)
Total other financing uses	<u>-</u>	<u>-</u>	<u>4,625</u>	<u>4,625</u>
Net change in fund balance	\$ -	-	-	-

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, 2009**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget- Positive (Negative)
Revenues				
Inmate restitutions	\$ 750,000	750,000	517,593	(232,407)
Miscellaneous	-	-	18,081	18,081
Total revenues	750,000	750,000	535,674	(214,326)
Expenditures				
Current				
Other costs	750,000	750,000	643,512	106,488
Excess of revenues over expenditures	-	-	(107,838)	(107,838)
Other financing uses	-	-	11,531	11,531
Net change in fund balance	\$ -	-	(96,307)	(96,307)

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		
Revenues				
Federal grants	\$ 5,034,600	5,034,600	3,931,044	(1,103,556)
Miscellaneous	-	-	1,867	1,867
Total revenues	5,034,600	5,034,600	3,932,911	(1,101,689)
Expenditures				
Current				
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
Total expenditures	4,069,600	4,069,600	3,559,898	509,702
Excess of revenues over expenditures	965,000	965,000	373,013	(591,987)
Other financing uses	(965,000)	(965,000)	(373,013)	591,987
Net change in fund balance	\$ -	-	-	-

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

NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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, 2009.

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, 2009

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, 2009

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.

Recovery Act. The recovery act fund accounts for funds received and disbursed from recovery act money. This is a non-reverting fund.

NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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, 2009

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 \$6,257 at June 30, 2009.

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, 2009

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, 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

I. Budgetary Information

The recovery act fund does not have a legally adopted budget.

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 at the fund level. 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, 2009, has not been amended.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

**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, 2009, the Village adopted Government Accounting Standards Board Statement (GASB) No. 52, *Land and Other Real Estate Held as Investments by Endowments* (GASB 52). GASB 52 will not have a material impact on the Village'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 from 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, 2009. 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, 2009

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	-	(2,693)	13,436
Office data processing equipment	60,963	-	(10,703)	50,260
Total, depreciated	77,092	-	(13,396)	63,696
Accumulated depreciation for				
Office equipment	15,820	181	(2,693)	13,308
Office data processing equipment	51,079	3,954	(10,703)	44,330
Total accumulated depreciation	66,899	4,135	(13,396)	57,638
Total capital assets, depreciated, net	\$ 10,193	(4,135)	-	6,058

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

Governmental activities

General government \$ 4,135

NOTE 4. LONG-TERM OBLIGATIONS

During the year ended June 30, 2009, the following changes occurred:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	\$ 38,078	55,531	(48,780)	44,829	44,829
Accrued sick leave	16,584	3,176	(13,503)	6,257	-
Total	\$ 54,662	58,707	(62,283)	51,086	44,829

NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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, 2009, 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, 2009 \$485,410 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, 2009. This remaining amount has been recorded as a due to federal grantor at June 30, 2009.

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, 2009

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.

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, 2009, 2008, and 2007 were \$132,875, \$122,175, and, \$113,858, 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, 2009

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.

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, 2009, 2008 and 2007 were \$10,826, \$9,597, and \$8,923, 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, 2009

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:

2010	\$ <u>14,410</u>
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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	49,272
2009	<u>15,875</u>
Total reversions due to the state general fund	\$ <u>137,967</u>

The Commission paid the reversion balance to the State of New Mexico on September 25, 2009.

NOTE 13. INTERFUND BALANCES

The General fund lent the Federal Grant fund \$52,732 to cover a negative pooled cash balance. The amount is expected to be paid within the next year.

The Federal Grant fund was owed \$12,068 from the General Fund and \$15,640 from the Corrections & Restitution fund for expenses paid from incorrect funds.

NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
SCHEDULE OF PERFORMANCE DATA
June 30, 2009

<u>Type</u>	<u>Measure</u>	<u>FY09 Target Level</u>	<u>FY09 Year End Result</u>	<u>Met Target</u>
Victim Compensation Program Performance Measures				
Outcome	Percent increase in the number of reparation applications received. <i>Year-end Result Narrative</i> – In FY 2009 the Victim Compensation Program targeted a 2% increase in the number of applications received.	2%	11%	Yes
Efficiency	Percent of payment vouchers sent to DFA Financial Control within two working days or receipt of payment list. <i>Year-end Results Narrative</i> – In FY 2009 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.	90%	90%	Yes
Output	Number of formal regional trainings conducted annually. <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.	8	8	Yes

NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
SCHEDULE OF PERFORMANCE DATA
June 30, 2009

<u>Type</u>	<u>Measure</u>	<u>FY09 Target Level</u>	<u>FY09 Year End Result</u>	<u>Met Target</u>
Victim Compensation Program Performance Measures (Continued)				
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 have experienced an 11% increase in claims and do not have sufficient staff to process efficiently.</p>	120	134	No
Federal Grant Administration Program Performance Measures				
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 40% 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%	42%	Yes
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, 2009

<u>Type</u>	<u>Measure</u>	<u>FY09 Target Level</u>	<u>FY09 Year End Result</u>	<u>Met Target</u>
Federal Grant Administration Program Performance Measures (Continued)				
Output	<p>Number of statewide training conferences held for service providers and victims advocates.</p> <p><i>Year-end Results Narrative</i> – In FY 2009 the Commission held the 14th annual Advocacy in Action conference. There were more than 500 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> –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	8	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	4	Yes

NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
SCHEDULE OF PERFORMANCE DATA
June 30, 2009

<u>Type</u>	<u>Measure</u>	<u>FY09 Target Level</u>	<u>FY09 Year End Result</u>	<u>Met Target</u>
Federal Grant Administration Program Performance Measures (Continued)				
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, 2009

<u>Depository</u>	<u>Account Name</u>	<u>Agency</u>	<u>Fund</u>	<u>Investment Balance</u>
NM State Treasurer	General Fund	78000	90900	\$ 210,680
NM State Treasurer	Restitution	78000	06300	412,902
NM State Treasurer	VOCA - Federal	78000	91600	<u>-</u>
Total investment accounts				<u><u>\$ 623,582</u></u>

NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2009

Grantor Agency and Grant Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Justice		
VOCA - Crime Victims Assistance		
2005-VA-GX-0033	16.575	24,667
2006-VA-GX-0042	16.575	105,749
2007-VA-GX-0023	16.575	945,812
2008-VA-GX-0029	16.575	1,463,347
		2,539,575
VOCA - Crime Victim Compensation		
2006-VC-GX-0026	16.576	1,543
2007-VC-GX-0002	16.576	22,302
2008-VC-GX-0039	16.576	708,586
		732,431
VAWA - Violence Against Women Formula Grants		
2005-WF-AX-0020	16.588	11,546
2006-WF-AX-0015	16.588	66,097
2007-WF-AX-0020	16.588	555,731
2008-WF-AX-0018	16.588	30,228
		663,602
Recovery Act		
2009-SG-B9-0145 (VOCA VA)	16.801	-
2009-SF-B9-0086 (VOCA VC)	16.802	126,576
2009-EF-S6-0049 (VAWA)	16.588	-
		126,576
Total expenditures of federal awards		\$ 4,062,184

Reconciliation to the Statement of Revenues and Expenditures
and Changes in Fund Balances - Governmental Funds:

Total expenditures - Federal Grants	\$ 3,745,690
Total expenditures - Recovery Act	126,576
Other financing uses - Federal Grants	255,766
Administrative expenses not covered by grant money	(65,848)
	\$ 4,062,184

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
June 30, 2009**

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 \$2,436,574 and \$498,799, 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 budgetary comparisons, of the New Mexico Crime Victims Reparation Commission (Commission), as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 3, 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 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.

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 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.

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.

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

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 3, 2009

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, 2009. 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, 2009. 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 09-1.

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 as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 07-4 to be a significant deficiency.

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 09-1 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 3, 2009

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2009**

04-03	Reversions to the State General Fund	Resolved
07-2	Preparation of Financial Statements	Resolved
07-4	Federal Grant Compliance	Modified and repeated
07-5	Tracking of Administrative Expenses and Administrative Drawdowns	Resolved

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the Commission.
2. There were no significant deficiencies disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statement of the Commission were disclosed during the audit.
4. Two significant deficiencies were disclosed during the audit of the major federal award programs and is shown in Part C. There was one significant deficiency 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 were two audit findings relative to the major federal award programs for the Commission.
7. The programs tested as major programs included:

	CFDA Number
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, 2009**

**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 for the VOCA Victim Assistance grants that one of the SF-269 reports for grant 2008-VA-GX-0029 (CFDA 16.575) was submitted after the due date. The report was submitted 4 days late.

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.

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.

CAUSE

There are not adequate internal controls in place to ensure SF-269 reports are submitted in a timely manner for all active grants.

RECOMMENDATION

The Commission should consider developing procedures to ensure that grant reporting is submitted by the timelines established in the Department of Justice, Financial Guide.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

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

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

MANAGEMENT RESPONSE

The Commission will update existing procedures for submitting SF-269's. The update will establish internally determined deadlines for submitting the SF-269's. The internal deadlines will provide a buffer of time to allow the Commission to address any unforeseen issues that may arise prior to the Federal submission deadlines established for each active grant.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

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

09-1 Tracking of Grant Revenues and Receivables – MATERIAL WEAKNESS

CONDITION

The Commission is not tracking revenue or receivable balances for federal grants. As federal funds are received, they are not recorded against receivable balances. In addition, because the Commission requests federal drawdowns on a reimbursement basis, there should be no net income or loss for the federal fund. Prior to adjustments discovered during the audit, the federal fund financial statements were showing a net loss for the federal programs.

CRITERIA

As per the Department of Justice, Financial Guide, recipients should adequately account for all grant monies received and spent.

EFFECT

The Commission's revenue and receivable balances were misstated prior to adjustment. Management and accounting staff may not be able to detect errors in reporting or financial presentation if they exist.

CAUSE

The Commission does not have a procedure in place to reconcile the amount of revenue received and the amount receivable for each grant.

RECOMMENDATION

The Commission should develop a procedure to reconcile and track revenue and receivable balances by grant.

MANAGEMENT RESPONSE

The Commission will develop and implement new procedures to track Federal revenues and receivables. As Federal funds are received, they will be recorded against outstanding receivables. Federal revenues and receivables will be reconciled prior to completing Federal reporting requirements. This will allow the commission to detect any errors in financial reporting and make timely adjustments to ensure no net income or losses in Federal funding occur.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION
EXIT CONFERENCE
Year Ended June 30, 2009**

An exit conference was held on 12/08/09, and attended by the following:

New Mexico Crime Victims Reparation Commission

Kristy Ring, Director
Cameron Crandall, MD, Chairman of the Board
Andrew Silva, Chief Financial Officer
Tanya Montoya, Financial Specialist

Porch & Associates LLC

Thad Porch, Partner

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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.