



Certified Public Accountants

*ricci&company llc*

**NEW MEXICO CRIME VICTIMS  
REPARATION COMMISSION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2010**

NEW MEXICO CRIME VICTIMS  
REPARATION COMMISSION

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**NEW MEXICO CRIME VICTIMS  
REPARATION COMMISSION**

*Official Roster*

**Officials**

Cameron S. Crandall, M.D.	Chairman
Cris Sanchez	Vice-Chairman
Thomas Montoya	Member
Joan Shirley	Member
Michelle Brown	Member

**Administrative Officials**

Kristy Ring	Director
Andrew Silva	Chief Financial Officer

## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the budgetary comparisons for the general fund and major special revenue funds of the New Mexico Crime Victims Reparation Commission (Commission) as of and for the year ended June 30, 2010, which collectively comprise the Commission's basic financial statements as listed in the accompanying 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 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.

As discussed in Note 2, the financial statements of the Commission are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major fund and the aggregate remaining fund information of the State of New Mexico that are attributable to the transactions of the Commission. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.



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

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, 2010, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2010, 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 *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 4 through 9 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires 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 budgetary comparison statements. 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. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Ricci & Company, LLC*

Albuquerque, New Mexico  
December 13, 2010

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2010**

**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, 2010 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 2010 for the Commission was \$7,548,300 with the majority of those funds, \$6,432,000 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 81% of our total budget directly supports our Commission's mission and vision.

During FY10, \$2,985,604 was expensed to compensation claims, as reported under object code 547.3, 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, 2010**

**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 2009 and 2010 and the comparative difference from year to year.

	<u>FY09</u>	<u>FY10</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>Assets</b>				
Cash and investments	\$ 623,582	313,948	(309,634)	-49.7%
Receivables	649,487	1,356,063	706,576	108.8%
Capital assets, net of accumulated depreciation	<u>6,058</u>	<u>2,029</u>	<u>(4,029)</u>	-66.5%
<b>Total assets</b>	<u><b>1,279,127</b></u>	<u><b>1,672,040</b></u>	<u><b>392,913</b></u>	<b>30.7%</b>
<b>Liabilities</b>				
Current liabilities	838,518	1,519,505	680,987	81.2%
Long-term liabilities	<u>51,086</u>	<u>9,279</u>	<u>(41,807)</u>	-81.8%
<b>Total liabilities</b>	<u><b>889,604</b></u>	<u><b>1,528,784</b></u>	<u><b>639,180</b></u>	<b>71.8%</b>
<b>Net assets</b>				
Investment in fixed assets	6,058	2,029	(4029)	-66.5%
Unrestricted	<u>383,465</u>	<u>141,227</u>	<u>(242,238)</u>	-63.2%
<b>Total net assets</b>	<u><b>\$ 389,523</b></u>	<u><b>143,256</b></u>	<u><b>(246,267)</b></u>	<b>-63.2%</b>

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 2009 and 2010 and the comparative difference from year to year.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2010**

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

**Financial Statement Presentation (Continued)**

	<u>FY09</u>	<u>FY10</u>	<u>Dollar Change</u>	<u>% Change</u>
Program revenue				
Miscellaneous	\$ 18,081	36,329	18,248	100.9%
Restitution and refunds from providers	644,169	455,968	(188,201)	-29.2%
Federal grants	<u>4,001,456</u>	<u>6,062,980</u>	<u>2,061,524</u>	51.5%
Total program revenue	<u>4,663,706</u>	<u>6,555,277</u>	<u>1,891,571</u>	40.6%
Expenditures				
Personnel services	1,173,238	1,114,428	(58,810)	-5.0%
Contractual services	281,320	314,925	33,605	11.9%
Other costs	5,559,935	7,597,382	2,037,447	36.6%
Depreciation	<u>4,135</u>	<u>4,029</u>	<u>(106)</u>	-2.6%
Total expenditures	<u>7,018,628</u>	<u>9,030,764</u>	<u>2,012,136</u>	28.7%
Excess (deficiency) before Transfers	(2,354,922)	(2,475,487)	(120,565)	-5.1%
Net transfers	<u>2,258,056</u>	<u>2,229,220</u>	<u>28,836</u>	1.3%
Change in net assets	(96,866)	(246,267)	(149,401)	-154.2%
Net assets, beginning of year	<u>486,389</u>	<u>389,523</u>	<u>(96,866)</u>	-19.9%
Net assets, end of year	<u>\$ 389,523</u>	<u>143,256</u>	<u>(246,267)</u>	-63.2%

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.



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2010**

**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.

The assets and liabilities for the year experienced significant increases from the prior fiscal year. Federal grant receivables and associated accounts payable are primarily attributable to these increases. Also, the revenue and expenditures from FY09 to FY10 had an approximate 41% and 29% change from year-to-year. The federal grant and recovery act revenues are attributed for the majority of this change, as there were significant increases 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 91% of budget (98.7% for FY09); the 300 Contractual Services was 84% of budget (99.0% for FY09); the 400 Other was 94% of budget (99.4% for FY09).

In comparison to fiscal year 2009, the budget for fiscal year 2010 increased in total by 7%. The original and final budget amounts for FY10 realized a net increase of \$560,000. The net increase consisted of an increase in the General Fund Appropriation of 2% or \$37,800; a decrease of the Restitution fund by \$30,000 to pay for increased payments to victims of violent crimes; and, an increase of the Federal funds by \$552,800 to pay for increased payments to victims of violent crimes and sub-grantees.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2010**

**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 10, the budget amount was \$450,000. At the end of fiscal year 10, the budget had been increased to \$720,000. The Commission expended 99.99% of the budget or \$719,980.

**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 \$5,045,300 in fiscal year 2009 to \$5,598,100 in fiscal year 2010. This is approximately an 11% 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, 2010**

**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 seven measures under the Victim Compensation Program. The target was met on five of these measures; however, the Commission was not able to achieve the targeted goal within two of the "Efficiency" measures. In FY2010 the "Percent of payment vouchers sent to DFA Financial Control within two working days or receipt of payment list" decreased from 90% to 68%. Also in FY2010 the "Average number of days to process application" increased from 134 to 136 days. This is due to insufficient staffing required to process an ever increasing number of claims, as well as budget shortfalls.

The Federal Grant Administration Program reported on seven measures for fiscal year 2010. The target was met on six of the seven measures; however, the Commission was not able to achieve the targeted goal within one of the "Efficiency" measures. In FY2010 the "Percent of site visits conducted" decreased from 42% to 30%. Required furlough days and increased workload hindered the grant administrators ability to complete the requisite number of site visits.

**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.

## **BASIC FINANCIAL STATEMENTS**

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**STATEMENT OF NET ASSETS**  
**June 30, 2010**

	Governmental Activities
<b>ASSETS</b>	
Current Assets	
Investments in State Treasurer General Fund Investment Pool	\$ 313,948
Receivables	
Federal grants	<u>1,356,063</u>
<b>Total current assets</b>	1,670,011
Capital Assets, net of accumulated depreciation	<u>2,029</u>
<b>Total assets</b>	<u><u>\$ 1,672,040</u></u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	\$ 1,260,726
Accrued compensation, benefits, and taxes	54,351
Due to State General Fund - reversions	155,527
Other liabilities	3,831
Compensated absences payable	<u>45,070</u>
<b>Total current liabilities</b>	1,519,505
Long-term Liabilities	
Accrued sick leave	<u>9,279</u>
<b>Total liabilities</b>	<u>1,528,784</u>
<b>NET ASSETS</b>	
Investment in capital assets	2,029
Unrestricted	<u>141,227</u>
<b>Total net assets</b>	<u>143,256</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 1,672,040</u></u>

*The Notes to the Financial Statements are an integral part of this statement.*

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2010**

	Governmental Activities
Expenses	
Personnel services	\$ 1,114,428
Contractual services	314,925
Other costs	7,597,382
Depreciation	4,029
	<hr/>
<b>Total expenses</b>	<b>9,030,764</b>
	<hr/>
Program Revenues	
Program Specific Operating Grants and Contributions	
Federal grants	6,062,980
Inmate restitutions	455,968
Miscellaneous	36,329
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<b>Total program revenues</b>	<b>6,555,277</b>
	<hr/>
<b>Net (expense)</b>	<b>(2,475,487)</b>
	<hr/>
Transfers	
Transfers from the State General Fund	2,387,000
Less reversions to the State General Fund	(157,780)
	<hr/>
<b>Total transfers</b>	<b>2,229,220</b>
	<hr/>
<b>Change in net assets</b>	<b>(246,267)</b>
	<hr/>
Net assets, beginning of year	389,523
	<hr/>
<b>Net assets, end of year</b>	<b>\$ 143,256</b>
	<hr/> <hr/>

*The Notes to the Financial Statements are an integral part of this statement.*



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2010**

	General Fund	Corrections & Restitution	Federal Grants	Recovery Act	Total
<b>ASSETS</b>					
Investments in STGFIP	\$ 77,234	236,714	-	-	313,948
Receivables					-
Federal grants	-	-	959,321	396,742	1,356,063
Due from other funds	199,819	-	-	-	199,819
<b>Total assets</b>	<b>\$ 277,053</b>	<b>236,714</b>	<b>959,321</b>	<b>396,742</b>	<b>1,869,830</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities</b>					
Accounts payable	\$ 80,441	41,138	873,096	266,051	1,260,726
Accrued compensation, benefits and taxes	41,085	-	13,266	-	54,351
Due to other funds	-	-	69,128	130,691	199,819
Due to State General Fund - reversions	155,527	-	-	-	155,527
Stale dated warrants	-	-	3,831	-	3,831
<b>Total liabilities</b>	<b>277,053</b>	<b>41,138</b>	<b>959,321</b>	<b>396,742</b>	<b>1,674,254</b>
<b>Fund Balance</b>					
Unreserved, undesignated	-	195,576	-	-	195,576
<b>Total liabilities and fund balance</b>	<b>\$ 277,053</b>	<b>236,714</b>	<b>959,321</b>	<b>396,742</b>	<b>1,869,830</b>

*The Notes to the Financial Statements are an integral part of this statement.*

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
June 30, 2010**

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

Fund balances per the balance sheet	\$ 195,576
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	2,029
Accrued compensated absences and sick leave not payable from current revenues	<u>(54,349)</u>
Net assets per the statement of net assets	<u><u>\$ 143,256</u></u>

*The Notes to the Financial Statements are an integral part of this statement.*

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
Year Ended June 30, 2010

	General Fund	Corrections & Restitution	Federal Grants	Recovery Act	Total
<b>Revenues</b>					
State General Fund appropriation	\$ 2,387,000	-	-	-	2,387,000
Federal grants	-	-	5,025,156	1,037,824	6,062,980
Inmate restitutions	-	455,968	-	-	455,968
Miscellaneous	138	25,037	11,154	-	36,329
<b>Total revenues</b>	<b>2,387,138</b>	<b>481,005</b>	<b>5,036,310</b>	<b>1,037,824</b>	<b>8,942,277</b>
<b>Expenditures</b>					
Current:					
Personnel services	848,854	-	259,597	2,714	1,111,165
Contractual services	241,673	-	19,900	53,352	314,925
Other costs	1,138,831	719,980	4,093,210	839,458	6,791,479
<b>Total expenditures</b>	<b>2,229,358</b>	<b>719,980</b>	<b>4,372,707</b>	<b>895,524</b>	<b>8,217,569</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>157,780</b>	<b>(238,975)</b>	<b>663,603</b>	<b>142,300</b>	<b>724,708</b>
<b>Other Financing Sources (Uses)</b>					
Other financing uses	-	-	(663,603)	(142,300)	(805,903)
Reversions to State General Fund	(157,780)	-	-	-	(157,780)
<b>Total other financing (uses)</b>	<b>(157,780)</b>	<b>-</b>	<b>(663,603)</b>	<b>(142,300)</b>	<b>(963,683)</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>(238,975)</b>	<b>-</b>	<b>-</b>	<b>(238,975)</b>
<b>Fund balance, beginning of year</b>	<b>-</b>	<b>434,551</b>	<b>-</b>	<b>-</b>	<b>434,551</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>195,576</b>	<b>-</b>	<b>-</b>	<b>195,576</b>
Amounts Reported in the Statement of Activities are Different Because:					
Change in fund balance					\$ (238,975)
Governmental funds do not report depreciation expense which is recorded in the statement of activities					(4,029)
Governmental funds do not report the net change in compensated absences or sick leave					(3,263)
Change in net assets per the statement of activities					\$ (246,267)

*The Notes to the Financial Statements are an integral part of this statement.*

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**Year Ended June 30, 2010**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
State General Fund appropriation	\$ 2,387,000	2,387,000	2,387,000	-
Miscellaneous	-	-	138	138
<b>Total revenues</b>	<u>2,387,000</u>	<u>2,387,000</u>	<u>2,387,138</u>	<u>138</u>
<b>Expenditures</b>				
Current:				
Personnel services	946,800	927,864	848,854	79,010
Contractual services	286,700	286,700	241,673	45,027
Other costs	1,153,500	1,172,436	1,138,831	33,605
<b>Total expenditures</b>	<u>2,387,000</u>	<u>2,387,000</u>	<u>2,229,358</u>	<u>157,642</u>
<b>Other Financing Sources (Uses):</b>				
Reversions to State General Fund	-	-	157,780	(157,780)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>157,780</u>	<u>(157,780)</u>
<b>Excess of revenues over expenditures and other financing sources</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

*The Notes to the Financial Statements are an integral part of this statement.*

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL - CORRECTIONS AND RESTITUTION  
Year Ended June 30, 2010**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Inmate restitutions	\$ 450,000	720,000	455,968	(264,032)
Miscellaneous	-	-	25,037	25,037
<b>Total revenues</b>	<u>450,000</u>	<u>720,000</u>	<u>481,005</u>	<u>(238,995)</u>
Expenditures				
Current:				
Other costs	450,000	720,000	719,980	20
<b>Total expenditures</b>	<u>450,000</u>	<u>720,000</u>	<u>719,980</u>	<u>20</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ -</u>	<u>-</u>	<u>(238,975)</u>	<u>(238,975)</u>

*The Notes to the Financial Statements are an integral part of this statement.*

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL - FEDERAL GRANTS**  
**Year Ended June 30, 2010**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Federal grants	\$ 4,798,100	5,598,100	5,025,156	(572,944)
Miscellaneous	-	-	11,154	11,154
<b>Total revenues</b>	<u>4,798,100</u>	<u>5,598,100</u>	<u>5,036,310</u>	<u>(561,790)</u>
Expenditures				
Current:				
Personnel services	267,200	267,200	259,597	7,603
Contractual services	28,000	28,000	19,900	8,100
Other costs	3,602,900	4,472,900	4,093,210	379,690
<b>Total expenditures</b>	<u>3,898,100</u>	<u>4,768,100</u>	<u>4,372,707</u>	<u>395,393</u>
Other Financing Sources (Uses):				
Other financing uses	<u>(900,000)</u>	<u>(830,000)</u>	<u>(663,603)</u>	<u>166,397</u>
<b>Total other financing sources (uses)</b>	<u>(900,000)</u>	<u>(830,000)</u>	<u>(663,603)</u>	<u>166,397</u>
<b>Excess of revenues over expenditures and other financing sources</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

*The Notes to the Financial Statements are an integral part of this statement.*



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 1. ORGANIZATION**

**1. History and Function**

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.

The Commission is responsible for:

- A. the implementation of the Crime Victims Reparation Act, which promotes the public health, welfare and safety of the citizens of New Mexico;
- B. assisting citizens by receiving requests from New Mexico citizens for monetary compensation for specific losses suffered as victims of certain crimes;
- C. granting monetary awards to those victims it deems eligible, following its review and investigation, and
- D. obtaining funding sources from revenue appropriations from the State of New Mexico General Fund, restitution receipts, and Federal grants from the U.S. Department of Justice.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In addition, applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, apply unless they conflict with GASB pronouncements. They are applied to the government-wide financial statements. The more significant of the Commission's accounting policies are described below:

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**A. Reporting Entity and Component Units**

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 *Statewide Human Resources, Accounting and Management Reporting System Accounting System (SHARE) funds for which the Commission has oversight responsibility*. The Commission is a user organization of the SHARE system. The service organization is the Department of Finance and Administration (DFA).

The Commission has decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The Commission is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, but would be included in a state-wide Comprehensive Annual Financial Report (CAFR).

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the government body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Commission is able to exercise oversight responsibilities. Based upon the application of these criteria, the Commission does not have any component units.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements, the statement of net assets and the statement of activities, report information on all of the nonfiduciary activities. When applicable, the effect of inter-fund activity is eliminated from the statement of net assets in order to avoid a grossing-up effect on the assets and liabilities within the statement. The Commission does not have any business-type activities; therefore, only government activities are shown.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**B. Government-Wide and Fund Financial Statements (Continued)**

The fund financial statements, the balance sheet, and the statement of revenues, expenditures and changes in fund balances are presented to report additional and detailed information about the Commission. Emphasis is on the major funds of the governmental category. The General Fund, Corrections and Restitution Fund, Federal Grants Fund, and Recovery Act Fund have been classified as major funds. The General Fund is the Commission's operating fund and includes all financial transactions conducted to fulfill its general government function. It accounts for all financial resources of the Commission. All funds were major.

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

The financial transactions of the Commission are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures or expenses and other financing sources or uses. Government resources are allocated to, and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The new model sets forth the minimum criteria (percentage of the assets, liabilities, revenues, or expenditures of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

The following fund types are used by the Commission:

**Governmental Fund Types**

All governmental fund types are accounted for on a spending or financial measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses sources) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Due to their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures of fund liabilities.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**B. Government-Wide and Fund Financial Statements (Continued)**

**General Fund** – The General Fund is the general operating fund of the Commission and a major fund. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is made up of the following Statewide Human Resources, Accounting and Management Reporting System Accounts System (SHARE) fund.

90900 General Operating – The operating account for the Commission. This is a reverting fund.

**Special Revenue Funds** – The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Commission's special revenue funds are as follows:

06300 Corrections and Restitution 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.

91600 Federal Grants 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 support 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 back to the State General Fund as required by PL 103-386.

89000 Recovery Act Fund – 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, 2010**

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is related to timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, and assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 *Accounting and Financial Reporting for Nonexchange Transactions*, which was adopted by the Commission as of July 1, 2000. The Commission's program revenues consist of federal grants. Revenue from federal grants is recognized when all eligibility requirements have been met on a "reimbursement basis." All other revenues are considered general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current assets and current liabilities are included on the balance sheet. The reported fund balance is considered a measure of available spendable resources.

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of spendable resources during a period. Revenues are available if collectible within the current period or soon enough afterwards to pay liabilities of the current period. The Commission considers revenues to be available if collected within sixty days of the end of the fiscal year. Expenditures are recorded when a liability is incurred, as under accrual accounting. The Commission does not have any debt service expenditures. The current portion of the compensated absences liability is not included in the fund financial statements because the State of New Mexico does not budget for any compensated absences in the current year.

**D. Receivables and Payables**

When applicable, amounts "due to/from other funds" between the two SHARE funds are netted for financial statement presentation when they are combined into the General Fund. Any amounts "due to/from other agencies" shown in the General Fund reflect outstanding balances of the receivables and payables between the Commission and other departments of the State of New Mexico. Amounts shown as "due to the State General Fund" reflect current year reversions for unexpended appropriations for the current fiscal year.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**E. Capital Assets**

Capital assets of the Commission include data processing equipment, furniture and fixtures, and equipment. The Commission does not have any infrastructure. Capital assets are defined in Section 12-6-10 NMSA 1978. Section 12-6-10 NMSA 1978 was amended effective June 19, 2005 changing the capitalization threshold of movable chattels and equipment from items costing more than \$1,000 to items costing more than \$5,000. The Commission has adopted this change in an accounting estimate, per Accounting Principles Board (APB) 20. Old inventory items that do not meet the new capitalization threshold will remain on the inventory list and continue to be depreciated. Any items received after July 1, 2005 will be added to the inventory only if they meet the new capitalization policy. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Computer software which is purchased with computer equipment is included as part of the capitalized computer equipment in accordance with 2.20.1.9 C (5) NMAC. The Commission does not develop computer software. The cost of maintenance and repairs that do not add to the asset value or materially extend assets lives are not capitalized. The Commission does not undertake major capital projects involving interest costs during the construction phase. There is no debt related to the capital assets. Capital assets of the Commission are depreciated using zero salvage value and the straight-line method over the following estimated useful lives:

Data Processing Equipment including computers	4-7 years
Furniture equipment	4-10 years

**F. Budgets and Budgetary Accounting**

The Recovery Act Fund does not have a legally adopted budget.

The Commission follows these procedures in establishing the budgetary 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.



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**F. Budgets and Budgetary Accounting (Continued)**

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 differs from the final budget presented in the budget comparison statements for the Commission by amendments made during the fiscal year.

In accordance with the requirements of Section 2.2.2. 10.A(2) (b) of 2.2.2 NMAC *Requirements for Contracting and Conducting Audits of Agencies* and the allowance made by GASB 34 footnote 53, the budgetary comparison statement for the General Fund has been included as part of the basic financial statements.

**G. Accrued Compensated Absences**

Annual leave and other compensated absences with similar characteristics are accrued as a liability as benefits are earned by employees if: the employees' right to receive compensation is attributable to services already rendered; and it is probable that the employer will compensate employees for benefits through paid time off or some other means such as cash payments at termination or retirement.

Where applicable, the compensated absence liability is presented in two parts in the government-wide financial statements, a current portion and long-term portion. The current portion is the amount expected to be expended during fiscal year 2011. It is an estimate management determined by comparing the amount actually paid out during fiscal year 2010 compared to the liability balance at June 30, 2009.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**G. Accrued Compensated Absences (Continued)**

Employees accumulate annual leave at a rate based on appointment date and length of continuous service. A maximum of 240 hours of annual leave may be carried forward after the pay period beginning in December and ending in January. When employees terminate, they are compensated at their current hourly rate for accumulated unpaid annual leave as of the date of termination, up to a maximum 240 hours. Qualified employees accumulate 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 3 to 11 years	4.61
Over 11 to 15 years	5.54
Over 15 years	6.15

Employees accumulate sick leave at a rate of 3.69 hours per pay period. There is no limit to the amount of sick leave that an employee may accumulate. State agencies are allowed to pay fifty percent of each employee's hourly rate for accumulated sick leave over 600 hours, up to 120 hours. Payment may be made only once per fiscal year at a specified pay period in either January or July. Additionally, upon retirement those employees with over 600 hours accumulated sick leave have the option to convert 400 hours of such leave to cash at one half of their hourly rate.

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

**H. Reversions**

Any unexpended balance remaining in SHARE Fund #90900 is generally reverted to the State General Fund. The General Appropriations Act of 2004, Section 3, Subsection N, states that "for the purpose of administration of the General Appropriations Act of 2005, the State of New Mexico shall follow the modified accrual basis of accounting for governmental funds in accordance with the manual of model accounting practices issued by the Department of Finance and Administration." In accordance with the DFA's "Basis of Accounting-Modified Accrual and the Budgetary Basis," the Office has accrued as payables amounts owed for goods and services received by June 30, 2010. Any remaining SHARE Fund 90900 fund balance not specifically reserved for prepaid postage or federal grant funds accounted for separately is being reverted to the State General Fund in accordance with Section 6-5-10, NMSA 1978.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

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

**I. Federal Grants Receivable (Deferred Revenue)**

Federal grant funds are recognized as revenue when the conditions of the grant are met. Reimbursement procedures are used for federal awards received by the Commission. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances and fiscal balances at fiscal year end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. Conversely, deferred revenue balances represent an overdraw of cash (advances) in excess of modified accrual basis expenditures. Generally, receivable or deferred revenue balances caused by differences in the timing of cash reimbursements and expenditures are returned to the grantor in the remaining grant period.

Determining the amount of expenditures reimbursable by the federal government, in some cases, requires management to estimate allowable costs to be charged to the federal government. As a result of this and other issues, management provides an allowance for potential contractual allowances for federal revenue. Any changes in these estimates are recorded in the period that the estimate is changed.

**J. Net Assets /Fund Equity**

In the government-wide financial statements, net assets consist of three components: invested in capital assets, net of related debt; restricted; and unrestricted. The Commission has no debt related to capital assets; therefore, net assets invested in capital assets equal the capital assets, net of related accumulated depreciation. The Commission's financial statement does not show any net assets restricted because it does not have any resources remaining in the net assets that were received or earned with the explicit understanding between the Commission and the resource provider (grantor, contributor, other government, enabling legislation) that the funds would be used for a specific purpose. Generally, the Commission would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Therefore, all remaining net assets that are not related to capital assets are shown as unrestricted.

In the fund financial statements, reservations of fund balance are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated, or (2) identify the portion of the fund balance that is not appropriable for future expenditures. There were no reservations of fund balance at June 30, 2010.

**K. 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.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2010**

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

**L. 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.

**NOTE 3. CASH – INVESTMENTS AND COLLATERAL**

**A. Investment in the State Treasurer General Fund Investment Pool**

Cash accounts of the Commission with the New Mexico State Treasurer depository at June 30, 2010 are as follows:

Account Name	Agency Number	SHARE Fund	Balance per Depository	Reconciling Items	Balance per Books
General Fund	78000	90900	\$ 287,922	(210,688)	77,234
Federal Grants	78000	91600	(141,577)	141,577	-
ARRA	78000	89000	(69,111)	69,111	-
Corrections and Restitutions Fund	78000	06300	<u>236,714</u>	-	<u>236,714</u>
<b>Total cash accounts</b>			<u>\$ 313,948</u>	-	<u>313,948</u>

Cash accounts on deposit with the New Mexico State Treasurer do not require collateral to be pledged because they are deposits with another governmental entity. The Commission is not authorized to make investments of funds on deposit with the New Mexico State Treasurer.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 3. CASH – INVESTMENTS AND COLLATERAL (CONTINUED)**

**A. Investment in the State Treasurer General Fund Investment Pool (Continued)**

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

- (a) Securities issued by the United States (U.S.) government or by its department or agencies and direct obligations of the U.S. or are backed by the full faith and credit of the U.S. government or agencies sponsored by the U.S. government;
- (b) Contracts for the present purchase and resale at a specified time in the future, not to exceed one year or, in case of bond proceeds, not to exceed three years, of specific securities at specified prices at a price difference representing the interest income to be earned by the State. No such contract shall be invested in unless the contract is fully secured by obligations of the United States of other securities backed by the United States having a market value of at least one hundred two percent of the amount of the contract;
- (c) Contracts for the temporary exchange of state-owned securities for the use of broker- dealers, banks or other recognized institutional investors in securities, for periods not to exceed one year for a specified fee rate. No such contract shall be invested in unless the contract is fully secured by exchange of an irrevocable letter of credit running to the State, cash or equivalent collateral of at least 102% of the market value of the securities plus accrued interest temporarily exchanged. The collateral required for either of the forms of investment in sections (b) and (c) shall be delivered to the fiscal agent of New Mexico or its designee contemporaneously with the transfer of funds or delivery of the securities at the earliest time industry practice permits, but in all cases, settlement shall be on the same-day basis. Neither of the contracts in (b) or (c) shall be invested in unless the contracting bank, brokerage firm or recognized institutional investor has a net worth in excess of five hundred million dollars;
- (d) Any of the following investments in an amount not to exceed forty percent of any fund that the State Treasurer invests: (1) commercial paper rated “prime” quality by a national rating service, issued by corporations organized and operating within the U.S.; (2) medium-term notes and corporate notes with a maturity not exceeding five years that are rated A or its equivalent or better by a nationally recognized rating service and that are issued by a corporation organized and operating in the U.S.; or (3) an asset-backed obligation with a maturity not exceeding five years that is rated AAA or its equivalent by a nationally recognized rating service;

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 3. CASH – INVESTMENTS AND COLLATERAL (CONTINUED)**

**A. Investment in the State Treasurer General Fund Investment Pool (Continued)**

- (e) Shares of a diversified investment company registered pursuant to the Federal Investment Company Act of 1940 that invests in U.S. fixed income securities or debt instruments authorized pursuant to (a), (b) and (d) above provided that the investment company has total assets under management of at least one billion dollars and the investments made by the State Treasurer pursuant to this paragraph are less than five percent of the assets of the investment company; or
- (f) Individual, common or collective trust funds of banks or trust companies that invest in U.S. fixed income securities or debt instruments authorized pursuant to (a), (b) and (d) above provided that the investment manager has assets under management of at least one billion dollars and the investments made by the State Treasurer pursuant to this paragraph are less than five percent of the assets of the individual, common or collective trust fund.

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

***Credit Risk, Custodial Risk and Interest Rate Risk***

*Credit Risk* - is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. The State Treasurer General Fund Investment Pool is not rated for credit risk.

*Custodial Credit Risk* - is the risk that in the event of the failure of the counter-party, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

All investment securities are insured and registered in the name of the Commission or are held by either the counter-party or counter-party's trust department.

*Interest Rate Risk* - is the risk that changes in interest rates will adversely affect the fair value of an investment. The agency does not have an investment policy that limits investment rate risk.

For additional GASB 40 disclosure information regarding cash held by the State Treasurer, the reader should see the separate audit reports for the State Treasurer's Office for the fiscal year ended June 30, 2010.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 4. CAPITAL ASSETS**

Summaries of changes in capital assets and related depreciation for the year ended June 30, 2010, follows:

	Balance 6/30/09	Additions	Deletions	Balance 6/30/10
<b>Capital Assets</b>				
Office equipment	\$ 13,436	-	-	13,436
Office data processing equipment	50,260	-	-	50,260
<b>Total capital assets</b>	<u>\$ 63,696</u>	<u>-</u>	<u>-</u>	<u>63,696</u>
<b>Accumulated Depreciation</b>				
Office equipment	\$ 13,308	75	-	13,383
Office data processing equipment	44,330	3,954	-	48,284
<b>Total accumulated depreciation</b>	<u>\$ 57,638</u>	<u>4,029</u>	<u>-</u>	<u>61,667</u>
<b>Capital Assets, net of Accumulated Depreciation</b>				
Office equipment	\$ 128	(75)	-	53
Machinery and equipment	5,930	(3,954)	-	1,976
<b>Net capital assets</b>	<u>\$ 6,058</u>	<u>(4,029)</u>	<u>-</u>	<u>2,029</u>

The Commission does not have any debt related to capital assets. Depreciation expense for the year was \$4,029.

**NOTE 5. LONG-TERM OBLIGATIONS**

During the year ended June 30, 2010, the following changes occurred:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Compensated absences	\$ 44,829	37,119	(36,878)	45,070	45,070
Accrued sick leave	6,257	10,680	(7,658)	9,279	-
<b>Total</b>	<u>\$ 51,086</u>	<u>47,799</u>	<u>(44,536)</u>	<u>54,349</u>	<u>45,070</u>

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 6. 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, 2010, 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, 2010, \$1,356,063 was receivable from the federal government under these grants.

**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 benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

*Funding Policy.* Plan members are required to contribute 8.92% of their gross salary. The Commission is required to contribute 15.09% of the gross covered salary. The contribution requirements of plan members and the Commission are established in State statute 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 fiscal years ending June 30, 2010, 2009, and 2008 were \$117,435, \$132,875, and \$122,175 respectively, which equal the amount of the required contributions for each fiscal year.



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 8. POST-EMPLOYMENT BENEFITS**

*Plan Description.* Crime Victims Reparation Commission contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the health care plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for health care 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 two formulas at agreed-upon intervals.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**NOTE 8. POST-EMPLOYMENT BENEFITS (CONTINUED)**

In the fiscal years ending June 30, 2011 through June 30, 2013, the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

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

The Commission's contributions to the RHCA for the years ended June 30, 2010, 2009, and 2008 were \$10,081, \$10,826, and \$9,587, 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 a 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.

**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 2014. The lease is subject to an early termination penalty. Future minimum lease payments under the lease are as follows:

2011	\$ 86,514
2012	90,220
2013	93,869
2014	97,158
2015	<u>16,283</u>
Total	<u>\$ 384,044</u>

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2010**

**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:

2010	\$ <u>155,527</u>
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The Commission had submitted the entire reversion balance to the State of New Mexico by September 30, 2010.

**NOTE 13. INTERFUND BALANCES**

Interfund balances at June 30, 2010 consisted of the following:

Due to general fund from:	
Federal Grant Fund	\$ 69,128
Recovery Act Fund	130,691

These balances resulted from money lent to the funds to cover negative pooled cash balances. The amounts are expected to be paid within the next year.

**SUPPLEMENTAL INFORMATION**

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**SCHEDULE OF PERFORMANCE DATA**  
**June 30, 2010**

Type	Measure	FY10 Target Level	FY10 Yearend Result	Met Target
<b>Victim Compensation Program Performance Measures</b>				
Outcome	Percent increase in the number of reparation applications received.  <i>Year end Results Narrative</i> - In FY 2010 the Victim Compensation Program targeted a 2% increase in the number of applications received.	2%	4%	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 January 2010, budget shortfalls forced our Board to take action to reduce and/or delay payments to providers. Approximately \$350,000 in approved payments to vendors were delayed.	90%	68%	No
Output	Number of formal regional trainings conducted annually.  <i>Year end Results Narrative</i> - Our 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 interfact with those victims. Therefore, it is crucial that others are trained to provide victims information regarding the Commission and how to fill out our application.	8	8	Yes
Output	Number of formal internal staff trainings conducted annually.  <i>Year end Results Narrative</i> - We believe that providing our staff with training regarding victim's rights and issues has been a positive influence towards decreasing turnover and increasing morale.	6	6	Yes
Efficiency	Number of victims receiving direct advocacy.  <i>Year end Results Narrative</i> - With a marked increase in the amount of funding that we received in the current year we were able to serve a greater number of victims of crime throughout the course of the fiscal year.	1770	1846	Yes
Efficiency	Percent increase in victims receiving direct advocacy.  <i>Year end Results Narrative</i> - With a marked increase in the amount of funding that we received in the current year we were able to serve a greater number of victims of crime throughout the course of the fiscal year.	5%	5%	Yes

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**SCHEDULE OF PERFORMANCE DATA - CONTINUED**  
**June 30, 2010**

Type	Measure	FY10 Target Level	FY10 Yearend Result	Met Target
<b>Victim Compensation Program Performance Measures (Continued)</b>				
Efficiency	Average number of days to process applications.  <i>Year end Results Narrative</i> - Staff shortages and the increase in applications received have increased staff workloads resulting in an increase in the average number of days to process applications.	< 120	136	No
<b>Federal Grant Administration Program Performance Measures</b>				
Output	Number of working days between expenditure of federal funds and request for reimbursement from the federal treasury.  <i>Year end Results Narrative</i> - The experience of the staff in this position has led to a quick turnaround as it pertains to the reimbursement requests being processed.	5	5	Yes
Efficiency	Percent of site visits conducted.  <i>Year end Results Narrative</i> - Required furlough days and the additional responsibilities and workloads associated with administering the Recovery Act grant reduced the VOCA grant administrators ability to complete the 40% site visit goal for fiscal year 2010.	40%	30%	No
Outcome	Percent increase in number of services provided to victims of violent crime by grant sub-recipients.  <i>Year end Results Narrative</i> - The overall increase is due to the VOCA and VAWA recovery act funds received in the current fiscal year.	2%	40%	Yes
Output	Number of state-wide training conferences held for service providers and victims advocates.  <i>Year end Results Narrative</i> - The target objective for the current fiscal year was met.	1	1	Yes

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**SCHEDULE OF PERFORMANCE DATA - CONTINUED**  
**June 30, 2010**

Type	Measure	FY10 Target Level	FY10 Yearend Result	Met Target
<b>Federal Grant Administration Program Performance Measures (Continued)</b>				
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 improves the efficiency of the program.</p>	12	12	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 not been turnover in the Commission position relating to the performance of this function for six years which has enabled staff to continue to meet this target.</p>	6	5	Yes
Efficiency	<p>Percent of sub recipients that receive compliance monitoring via desk audits.</p> <p><i>Year end Results Narrative</i> - The target objective for the current fiscal year was met.</p>	83%	90%	Yes

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2010**

Grantor Agency and Grant Title	Federal CFDA Number	Federal Expenditures
<b>U. S. Department of Justice</b>		
VOCA - Crime Victims Assistance		
2006-VA-GX-0042	16.575	\$ 2,090
2007-VA-GX-0023	16.575	52,323
2008-VA-GX-0029	16.575	836,193
2009-VA-GX-0063	16.575	1,833,205
		2,723,811
VOCA - Crime Victims Compensation		
2007-VC-GX-0002	16.576	1,278
2008-VC-GX-0039	16.576	34,116
2009-VC-GX-0056	16.576	749,203
		784,597
VAWA - Violence Against Women Formula Grants		
2006-WF-AX-0015	16.588	93,097
2007-WF-AX-0020	16.588	409,757
2008-WF-AX-0018	16.588	968,532
2009-WF-AX-0003	16.588	52,440
		1,523,826
SASP - Sexual Assault		
2009-KF-AX-0038	16.017	2,207
American Recovery and Reinvestment Act (ARRA)		
2009-SG-B9-0145 (VOCA VC)	16.801	394,148
2009-SF-B9-0086 (VOCA VC)	16.802	74,333
2009-EF-S6-0049 (VAWA)	16.588	561,519
		1,030,000
		<b>\$ 6,064,441</b>
Reconciliation to the Statement of Revenues and Expenditures and Changes in Fund Balances - Governmental Funds:		
Total expenditures - Federal grants		\$ 4,372,707
Total expenditures - Recovery Act		895,524
Other financing uses - Federal grants		663,603
Other financing uses - Recovery Act		142,300
Administrative expenses not covered by grant money		(9,693)
		<b>\$ 6,064,441</b>



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO THE SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS**  
**June 30, 2010**

**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 SUB-RECIPIENTS**

The Commission was the pass-through agent for Crime Victims Assistance and Violence Against Women Formula Grants in the amounts of \$2,553,119 and \$1,392,825, respectively.

# Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS  
6200 UPTOWN BLVD. NE - SUITE 400  
ALBUQUERQUE, NM 87110

## **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***

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

We have audited the financial statements of the governmental activities, each major fund, and the budgetary comparisons of the general fund and major special revenue funds, of the Crime Victims Reparation Commission (Commission) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 13, 2010. 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 designating our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is likelihood reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

We noted certain matters that are required to be reported under *Government Auditing Standards, January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as finding 10-01.

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

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

*Ricci & Company, LLC*

Albuquerque, New Mexico  
December 13, 2010

# Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS  
6200 UPTOWN BLVD. NE - SUITE 400  
ALBUQUERQUE, NM 87110

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

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

### 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 could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2010. 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 grants applicable to each of its 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and 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 referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 of the Commission's compliance with those requirements.

In our opinion, the Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

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

### Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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.

*Ricci & Company, LLC*

Albuquerque, New Mexico  
December 13, 2010

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2010**

07-04	Federal Grant Compliance	Resolved
09-01	Tracking of Grant Revenues and Receivables	Resolved

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2010**

**A. SUMMARY OF AUDIT RESULTS**

***Financial Statements***

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(s) identified that are not considered to be material weakness(es)?  Yes  None Reported

Non-compliance material to financial statements noted?  Yes  No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(s) identified that are not considered to be material weakness(es)  Yes  None Reported

Type of auditors' report issued on compliance for Major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

**Identification of Major Programs Tested**

	<b>CFDA Number</b>
VOCA – Crime Victims Assistance	16.575
VOCA – Crime Victims Compensation	16.576
VAWA – Violence Against Women Formula Grants	16.588
Recovery Act: VAWA – Violence Against Women Formula Grants	16.588

Dollar threshold used to distinguish between Type A and Type B programs \$ 300,000

Auditee qualified as low-risk auditee?  Yes  No

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2010**

**C. FINDINGS – OTHER MATTERS**

**10-01 TIMELY PAYMENT OF INVOICES**

**CONDITION**

During our test work over cash disbursements, we noted 9 of 40 (23%) payments that were made more than thirty days after the invoice date or receipt of invoice date.

**CRITERIA**

In accordance with Section 13-1-158 (c), NMSA 1978, payments for goods and services purchased by the Department shall be made within thirty days after invoice date.

**EFFECT**

Expenditures not recorded on a timely basis does not allow for timely reconciliation of expenditures to cash and budget balances. In addition, good faith relationships with vendors may suffer.

**CAUSE**

Late payments were a result of accounts payable personnel not entering information into the SHARE system timely.

**RECOMMENDATION**

We recommend that the Department continue improving its processes for cash disbursements that further eliminate late payments.

**MANAGEMENT RESPONSE**

The Commission will stress the importance of adhering to agency policy in which invoices are entered into SHARE within 3 days of receipt of the invoice. This will ensure that payments for goods or services purchased by the department will be made within 30 days after invoice date.

Upon review of the payments that were made more than 30 days after the invoice date or receipt of invoice date, it was determined that 7 of the 9 invoices were part of the board approved victim applications in which payments were held due to budget constraints. In some cases, payments were processed later in the year when it was determined that budget was available. The Commission will update existing procedures for processing approved victim application payments. The update will include date stamping the invoice when it has been determined that budget is available and the invoice is ready to be paid.



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
EXIT CONFERENCE  
For the Year Ended June 30, 2010**

**Exit Conference**

An exit conference was held on December 14, 2010 to discuss the annual financial report. Attending were the following:

Representing the New Mexico Crime Victims Reparation Commission:

Cameron Crandall, Chairman  
Kristy Ring, Director  
Andrew Silva, Chief Financial Officer  
Robin Brassie, Program Manager – VOCA  
Sheila Allen, Program Manager - VAWA

Representing the Independent Auditor:

Shawn Mortensen, CPA

Note: Management is responsible for the context of the report, even though the financial statements were prepared substantially by the independent auditor.