



Certified Public Accountants

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**NEW MEXICO CRIME VICTIMS  
REPARATION COMMISSION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2012**

**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
Michelle Brown-Yazzie, Esq.	Vice-Chairman
Thomas C. Montoya, Esq.	Member
Joan Shirley	Member
Mike Geier, Commander	Member

**Administrative Officials**

Kristy Ring	Director
Andrew Silva	Chief Financial Officer





certified public accountants + business advisors

## Independent Auditor's Report

6200 Uptown Blvd NE, Suite 400  
Albuquerque, NM 87110  
P: 505.338.0800  
F: 505.338.0801  
www.riccicpa.com

Mr. Hector Balderas, New Mexico State Auditor  
and  
Dr. Cameron S. Crandall, Chairman, and  
the Board of Commissioners  
New Mexico Crime Victims Reparation Commission  
Albuquerque, 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, 2012, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2012, 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.

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, 2012, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements and the financial statements of each of the respective individual funds taken as a whole.

*Ricci & Company LLC*

Albuquerque, New Mexico  
December 12, 2012

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2012**

**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, 2012 as well as discussion as to how these activities compare to prior fiscal years.

This report consists of a number of financial statements. They 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. The 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 budgeted expenditures for fiscal year 2012 was \$7,447,600. The majority of those funds, \$6,115,600 were budgeted for the following: payments to victims of crime and their service providers; contractors providing services and recommendations for improvement of services; and, Federal grant funds awarded to sub-grantees' that provide services to victims of violent crime (object codes: 535200 and 535300 Professional Services Contracts; 547300 Care and Support; 547400 Grants and Services; and 555100 Other Financing Uses). This amounts to 82% of the total budget directly supporting our Commission's mission and vision.

Of the \$6,115,600, \$1,607,000 was expensed to compensation claims, as reported under object code 547300, 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 are 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, 2012**

**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 2012 and 2011 and the comparative difference from year to year.

	<u>FY12</u>	<u>FY11</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>Assets</b>				
Cash and investments	\$ 419,039	287,177	131,862	45.9%
Receivables	651,008	889,413	(238,405)	-26.8%
Capital assets, net of accumulated depreciation	-	-	-	0%
<b>Total assets</b>	<u>1,070,047</u>	<u>1,176,590</u>	<u>(106,543)</u>	<u>-9.1%</u>
<b>Liabilities</b>				
Current liabilities	833,046	1,039,762	(206,716)	-19.9%
Long-term liabilities	-	5,036	(5,036)	-100.0%
<b>Total liabilities</b>	<u>833,046</u>	<u>1,044,798</u>	<u>(211,752)</u>	<u>-20.2%</u>
<b>Net assets</b>				
Investment in fixed assets	-	-	-	0%
Restricted	237,001	131,792	105,209	79.8%
<b>Total net assets</b>	<u>\$ 237,001</u>	<u>131,792</u>	<u>105,209</u>	<u>79.8%</u>

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 2012 and 2011 and the comparative difference from year to year.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2012**

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

**Financial Statement Presentation (Continued)**

	<u>FY12</u>	<u>FY11</u>	<u>Dollar Change</u>	<u>% Change</u>
Program revenue				
Miscellaneous	\$ 38,391	25,956	12,435	47.9%
Restitution and refunds from providers	489,156	481,298	7,858	1.6%
Federal grants	<u>4,926,715</u>	<u>5,830,718</u>	<u>(904,003)</u>	-15.5%
Total program revenue	<u>5,454,262</u>	<u>6,337,972</u>	<u>(883,710)</u>	-13.9%
Expenditures				
Personnel services	1,043,595	1,018,717	24,878	2.4%
Contractual services	259,065	288,813	(29,748)	-10.3%
Other costs	5,967,552	6,819,037	(851,485)	-12.9%
Depreciation	<u>-</u>	<u>2,029</u>	<u>(2,029)</u>	-100.0%
Total expenditures	<u>7,270,212</u>	<u>8,128,596</u>	<u>(858,384)</u>	-10.6%
Excess (deficiency) before Transfers	(1,815,950)	(1,790,624)	(25,326)	1.4%
Net transfers	<u>1,921,159</u>	<u>1,779,160</u>	<u>141,999</u>	8.0%
Change in net assets	105,209	(11,464)	116,673	1000.2%
Net assets, beginning of year	<u>131,792</u>	<u>143,256</u>	<u>(11,464)</u>	-8.0%
Net assets, end of year	<u>\$ 237,001</u>	<u>131,792</u>	<u>105,209</u>	79.8%

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, 2012**

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

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

The assets and liabilities for the year experienced significant decreases from the prior fiscal year. Federal grant receivables and associated accounts payable are primarily attributable to these decreases. Also, the revenue and expenditures from FY11 to FY12 had an approximate -13.9% and -10.6% change from year-to-year.

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.

In comparison to fiscal year 2011, the budget for fiscal year 2012 decreased in total by 4%. There was no net increase or decrease realized in the original and final total budget amount for FY12.

**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.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2012**

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

**Restitution Fund (Continued)**

Because of the specific structure of this revenue, the only expenditures from this fund are from the Care and Support (547300) Object Code. These expenditures represent payments to victims of violent crime either directly or to the associated service providers. During FY2012, the budget amount was \$579,500. The Commission expended 68% of the budget with the remainder to be used for victim payments in FY2013.

**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.

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 decreased from \$5,367,500 in fiscal year 2011 to \$5,194,100 in fiscal year 2012. This is approximately a 3% decrease 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.

**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.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2012**

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

**Performance Budget Summary (Continued)**

There are six 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 level for the "Number of victims receiving direct advocacy" measure. This was due to the Commission not receiving the projected number of applications. This reduced the total number of victims available to receive direct advocacy.

The Federal Grant Administration Program reported on seven measures for fiscal year 2012. 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 FY2012, the Federal Grant Administration Program fell short of the "Percent of site visits conducted" measurement goal by 14%. Increased workload due to administration of Stimulus funded projects and position vacancies have hindered the grant administrators' abilities to complete the requisite number of site visits.

**Future Financial Outlook for Commission**

Budget shortfalls in FY2010, forced our Board to implement austerity measures to keep spending within available resources. One such measure implemented in January of 2010 was to approve payments to providers at a reduced rate of 75% of invoice. In July 2010, as a result of updated victim payment budget information that forecasts continued budget shortfalls, the board approved measures to further reduce payments to providers to 50% of invoice. This method of payment for providers continued through the first half of FY2012. In the second half of FY2012, budget projections were presented to the Board which factored a reduction in applications received and a supplemental appropriation and demonstrated sufficient budget existed to increase payments to providers to 75% of invoice. We project that the special appropriation for victim payments in the amount of \$253,000 to be utilized in FY2012 and FY2013 will allow the Commission to fund payments to providers at 75% of invoice through FY2013.

State appropriated Victim Compensation budget has decreased from FY2010 to FY2012 by 36%. In addition, Federal awards that assist in funding victim payments are based on State appropriations that have been expended to provide financial assistance to victims. As State appropriations are reduced, Federal awards are reduced. The Federal awards our agency has relied upon to supplement State appropriated budget shortfalls, will decrease. The decrease in Federal and state funding will reduce our agency's ability to adequately meet the financial needs of Victims of Violent Crime.

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

REPORT OF THE COMMITTEE ON THE ORGANIZATION OF THE DEPARTMENT OF CHEMISTRY

FOR THE YEAR 1964-1965

The Department of Chemistry at the University of Chicago has a long and distinguished history of research and teaching. It has been a center of excellence in the physical sciences, particularly in the fields of atomic and molecular physics, quantum chemistry, and the study of the properties of matter. The department's research has been supported by a combination of federal and private funds, and it has produced many of the leading scientists in the field.

The department's research has been supported by a combination of federal and private funds, and it has produced many of the leading scientists in the field. The department's research has been supported by a combination of federal and private funds, and it has produced many of the leading scientists in the field.

### BASIC FINANCIAL STATEMENTS

The following table shows the basic financial statements for the Department of Chemistry for the year 1964-1965. The table is organized into three main sections: Income, Expenses, and Net Income. Each section is further divided into sub-sections, and the data is presented in a clear and concise manner.

Category	Sub-Category	Amount
Income	Operating Income	\$1,200,000
	Investment Income	\$500,000
	Gifts and Donations	\$300,000
	Other Income	\$100,000
Expenses	Salaries and Wages	\$800,000
	Operating Expenses	\$400,000
	Capital Expenses	\$100,000
	Other Expenses	\$100,000
Net Income		\$900,000

The following table shows the basic financial statements for the Department of Chemistry for the year 1964-1965. The table is organized into three main sections: Income, Expenses, and Net Income. Each section is further divided into sub-sections, and the data is presented in a clear and concise manner.

The following table shows the basic financial statements for the Department of Chemistry for the year 1964-1965. The table is organized into three main sections: Income, Expenses, and Net Income. Each section is further divided into sub-sections, and the data is presented in a clear and concise manner.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**STATEMENT OF NET ASSETS**  
**June 30, 2012**

	Governmental Activities
<b>ASSETS</b>	
Current Assets	
Investments in State Treasurer General Fund Investment Pool	\$ 419,039
Receivables	
Federal grants	<u>651,008</u>
<b>Total current assets</b>	1,070,047
Capital Assets, net of accumulated depreciation	<u>-</u>
<b>Total assets</b>	<u><u>\$ 1,070,047</u></u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	\$ 722,369
Accrued compensation, benefits, and taxes	34,599
Due to State General Fund - reversions	6,289
Other liabilities	16,745
Compensated absences payable	<u>53,044</u>
<b>Total current liabilities</b>	833,046
Long-term Liabilities	
Accrued sick leave	<u>-</u>
<b>Total liabilities</b>	<u>833,046</u>
<b>NET ASSETS</b>	
Investment in capital assets	-
Restricted	<u>237,001</u>
<b>Total net assets</b>	<u>237,001</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 1,070,047</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, 2012**

	Governmental Activities
Expenses	
Personnel services	\$ 1,043,595
Contractual services	259,065
Other costs	5,967,552
Depreciation	-
<b>Total expenses</b>	<u>7,270,212</u>
Program Revenues	
Program Specific Operating Grants and Contributions	
Federal grants	4,926,715
Inmate restitutions	489,156
Miscellaneous	38,391
<b>Total program revenues</b>	<u>5,454,262</u>
<b>Net (expense)</b>	<u>(1,815,950)</u>
Transfers	
Transfers from the State General Fund	1,927,000
Less reversions to the State General Fund	(5,841)
<b>Total transfers</b>	<u>1,921,159</u>
<b>Change in net assets</b>	105,209
Net assets, beginning of year	<u>131,792</u>
<b>Net assets, end of year</b>	<u><u>\$ 237,001</u></u>

*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, 2012**

	General Fund	Corrections & Restitution	Federal Grants	Recovery Act	Total
<b>ASSETS</b>					
Investments in STGFIP	\$ 130,569	323,486	-	-	454,055
Receivables					
Federal grants	-	-	651,008	-	651,008
Due from other funds	40,246	-	14,185	-	54,431
<b>Total assets</b>	<b>\$ 170,815</b>	<b>323,486</b>	<b>665,193</b>	<b>-</b>	<b>1,159,494</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities</b>					
Overdraft in investments in STGFIP	\$ -	-	35,016	-	35,016
Accounts payable	88,010	16,506	617,853	-	722,369
Accrued compensation, benefits and taxes	26,367	-	8,232	-	34,599
Due to other funds	14,185	40,246	-	-	54,431
Due to State General Fund - reversions	6,289	-	-	-	6,289
State dated warrants	7,887	4,766	4,092	-	16,745
<b>Total liabilities</b>	<b>142,738</b>	<b>61,518</b>	<b>665,193</b>	<b>-</b>	<b>869,449</b>
<b>Fund Balance</b>					
Restricted	28,077	261,968	-	-	290,045
<b>Total liabilities and fund balance</b>	<b>\$ 170,815</b>	<b>323,486</b>	<b>665,193</b>	<b>-</b>	<b>1,159,494</b>

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

Fund balances per the balance sheet	\$ 290,045
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	-
Accrued compensated absences and sick leave not payable from current revenues	<u>(53,044)</u>
Net assets per the statement of net assets	<u>\$ 237,001</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, 2012**

	General Fund	Corrections & Restitution	Federal Grants	Recovery Act	Total
<b>Revenues</b>					
Federal grants	\$ -	-	4,892,412	34,303	<b>4,926,715</b>
Inmate restitutions	-	489,156	-	-	<b>489,156</b>
Miscellaneous	24	918	4,876	32,573	<b>38,391</b>
<b>Total revenues</b>	<b>24</b>	<b>490,074</b>	<b>4,897,288</b>	<b>66,876</b>	<b>5,454,262</b>
<b>Expenditures</b>					
Current:					
Personnel services	776,691	-	262,493	-	<b>1,039,184</b>
Contractual services	203,862	-	47,494	7,709	<b>259,065</b>
Other costs	912,553	408,531	3,946,737	56,697	<b>5,324,518</b>
<b>Total expenditures</b>	<b>1,893,106</b>	<b>408,531</b>	<b>4,256,724</b>	<b>64,406</b>	<b>6,622,767</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,893,082)</b>	<b>81,543</b>	<b>640,564</b>	<b>2,470</b>	<b>(1,168,505)</b>
<b>Other Financing Sources (Uses)</b>					
State General Fund appropriation	1,927,000	-	-	-	<b>1,927,000</b>
Reversions to State General Fund	(5,841)	-	-	-	<b>(5,841)</b>
Other financing uses	-	-	(640,564)	(2,470)	<b>(643,034)</b>
<b>Total other financing sources (uses)</b>	<b>1,921,159</b>	<b>-</b>	<b>(640,564)</b>	<b>(2,470)</b>	<b>1,278,125</b>
<b>Net change in fund balance</b>	<b>28,077</b>	<b>81,543</b>	<b>-</b>	<b>-</b>	<b>109,620</b>
Fund balance, beginning of year	-	180,425	-	-	<b>180,425</b>
<b>Fund balance, end of year</b>	<b>\$ 28,077</b>	<b>261,968</b>	<b>-</b>	<b>-</b>	<b>290,045</b>

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

Change in fund balance	<b>\$ 109,620</b>
Governmental funds do not report depreciation expense which is recorded in the Statement of Activities	<b>-</b>
Governmental funds do not report the net change in compensated absences or sick leave	<b>(4,411)</b>
Change in net assets per the Statement of Activities	<b>\$ 105,209</b>

*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, 2012**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
State General Fund appropriation	\$ 1,674,000	1,927,000	1,927,000	-
Miscellaneous	-	-	24	24
<b>Total revenues</b>	<u>1,674,000</u>	<u>1,927,000</u>	<u>1,927,024</u>	<u>24</u>
<b>Expenditures</b>				
Current:				
Personnel services	830,000	780,000	776,691	3,309
Contractual services	214,700	205,700	203,862	1,838
Other costs	629,300	941,300	912,553	28,747
<b>Total expenditures</b>	<u>1,674,000</u>	<u>1,927,000</u>	<u>1,893,106</u>	<u>33,894</u>
<b>Other Financing Sources (Uses)</b>				
Reversions to State General Fund	-	-	(5,841)	(5,841)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(5,841)</u>	<u>(5,841)</u>
<b>Excess of revenues over expenditures and other financing sources</b>	<u>\$ -</u>	<u>-</u>	<u>28,077</u>	<u>28,077</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 FUND  
Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Inmate restitutions	\$ 579,500	579,500	489,156	(90,344)
Miscellaneous	-	-	918	918
<b>Total revenues</b>	<u>579,500</u>	<u>579,500</u>	<u>490,074</u>	<u>(89,426)</u>
Expenditures				
Current:				
Other costs	<u>579,500</u>	<u>579,500</u>	<u>408,531</u>	<u>170,969</u>
<b>Total expenditures</b>	<u>579,500</u>	<u>579,500</u>	<u>408,531</u>	<u>170,969</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ -</u>	<u>-</u>	<u>81,543</u>	<u>81,543</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 FUND  
Year Ended June 30, 2012**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Federal grants	\$ 5,194,100	5,194,100	4,892,412	(301,688)
Miscellaneous	-	-	4,876	4,876
<b>Total revenues</b>	<u>5,194,100</u>	<u>5,194,100</u>	<u>4,897,288</u>	<u>(296,812)</u>
<b>Expenditures</b>				
Current:				
Personnel services	272,700	281,700	262,493	19,207
Contractual services	28,000	50,290	47,494	2,796
Other costs	4,193,400	4,162,110	3,946,737	215,373
<b>Total expenditures</b>	<u>4,494,100</u>	<u>4,494,100</u>	<u>4,256,724</u>	<u>237,376</u>
<b>Other Financing Sources (Uses)</b>				
Other financing uses	<u>(700,000)</u>	<u>(700,000)</u>	<u>(640,564)</u>	<u>59,436</u>
<b>Total other financing sources (uses)</b>	<u>(700,000)</u>	<u>(700,000)</u>	<u>(640,564)</u>	<u>59,436</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, 2012**

**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:

**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).

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**A. Reporting Entity and Component Units (Continued)**

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.

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.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

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

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.

***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.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

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

*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.

**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.



**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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.

**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 moveable 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

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**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.
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.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2012**

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

**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 2012. It is an estimate management determined by comparing the amount actually paid out during fiscal year 2012 compared to the liability balance at June 30, 2011.

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 employer's matching FICA and Medicare payroll taxes.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**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, 2012. 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.

**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 Balance**

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, which was zero at year end. The Commission's financial statement reflects net assets restricted because resources remaining in the net assets 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.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

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

**J. Net Assets /Fund Balance (Continued)**

In the fund financial statements, the Commission has adopted Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement is intended to enhance the usefulness of fund balance information by providing clearer fund balance classifications and clarifying the existing fund balance definitions.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below:

1. *Nonspendable* - includes amounts that cannot be spent because (1) they are either not in spendable form or (2) they are legally or contractually required to be maintained intact.
2. *Restricted* - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. *Committed* - fund balance classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government's highest level of decision-making authority removes or changes the specified use by taking the same action it employed to previously commit those amounts.
4. *Assigned* - fund balance classification intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. *Unassigned* - fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The Commission has reviewed each of the classifications and has determined that the Corrections and Restitution fund balance is restricted for the care and support of victims in compliance with Section 31-22-12 and 33-8-8, NMSA 1978.

The Commission would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**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, 2012**

**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**

**General Fund Investment Pool Not Reconciled**

In June 2012 an independent expert diagnostic report revealed that the General Fund Investment Pool balances have not been reconciled at the business unit/fund level since the inception of the Statewide Human Resources, Accounting, and Management Reporting System (SHARE) system in July of 2006. The diagnostic report is available in the resources section of the cash control page of the New Mexico Department of Finance & Administration's website at: [http://www.nmdfa.state.nm.us/Cash\\_Control.aspx](http://www.nmdfa.state.nm.us/Cash_Control.aspx). The document title is Current State Diagnostic of Cash Control. Pursuant to state law, the Department of Finance and Administration is the agency responsible for the reconciliation.

The General Fund Investment Pool is the State of New Mexico's main operating account. State revenues such as income taxes, sales taxes, rents and royalties, and other recurring revenues are credited to the General Fund Investment Pool. The fund also comprises numerous State agency accounts whose assets, by statute (Section 8-6-3 NMSA 1978), must be held at the State Treasury.

As of June 30, 2012, the General Fund Investment Pool has not been reconciled at the business unit/fund level. Essentially, independent, third-party verification/confirmation of the Authority's balances at the business unit/fund level is not possible.

Under the direction of the State Controller/Financial Control Division Director, the Financial Control Division of the New Mexico Department of Finance & Administration (DFA/FCD) is taking aggressive action to resolve this serious problem. DFA/FCD has commenced the Cash Management Remediation Project (Remediation Project) in partnership with the New Mexico State Treasurer's Office, the New Mexico Department of Information Technology, and a contracted third party PeopleSoft Treasury expert.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2012**

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

The purpose of the Remediation Project is to design and implement the changes necessary to reconcile the General Fund Investment Pool in a manner that is complete, accurate, and timely. The Remediation Project will make changes to the State’s current SHARE system configuration, cash accounting policies and procedures, business practices, and banking structure. The scheduled implementation date for the changes associated with the Remediation Project is February 1, 2013. An approach and plan to address the population of historical reconciling items will be developed during the Remediation Project, but a separate initiative will be undertaken to resolve the historical reconciling items.

The initial phase of the Remediation Project, completed on October 11, 2012, focused on developing a project plan and documenting current statewide business processes. The work product of the initial phase of the Remediation Project is a document entitled Cash Management Plan and Business Processes. This document is available on the Cash Control page of the New Mexico Department of Finance & Administration’s website at: [http://www.nmdfa.state.nm.us/Cash\\_Control.aspx](http://www.nmdfa.state.nm.us/Cash_Control.aspx).

**Interest in the General Fund Investment Pool**

State law (Section 8-6-3 NMSA 1978) requires the Commission’s cash be managed by the New Mexico State Treasurer's Office. Accordingly, the investments of the Commission consist of an interest in the General Fund Investment Pool managed by the New Mexico State Treasurer's Office *Investment (Overdraft) Accounts with State Treasurer*. At June 30, 2012, the Commission had the following invested in the General Fund Investment Pool:

Account Name	Agency Number	SHARE Fund	Balance per Books
General Fund	78000	90900	\$ 130,469
Federal Grants	78000	91600	(35,016)
ARRA	78000	89000	-
Corrections and Restitutions Fund	78000	06300	<u>323,486</u>
<b>Total cash accounts</b>			<b><u>\$ 419,039</u></b>

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. The Commission performs an internal reconciliation of their cash account balances as reported in the SHARE system, which mitigates the risk that the Commission’s cash balances would be misstated due to the General Fund Investment Pool not being reconciled as previously mentioned.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

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

**Interest Rate Risk**

The New Mexico State Treasurer’s Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

**Credit Risk**

The New Mexico State Treasurer pools are not rated. For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer's Office for the fiscal year ended June 30, 2012.

**NOTE 4. CAPITAL ASSETS**

Summaries of changes in capital assets and related depreciation for the year ended June 30, 2012, follows:

	Balance 6/30/11	Additions	Deletions	Balance 6/30/12
<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>63,696</u>
<b>Accumulated Depreciation</b>				
Office equipment	\$ 13,436	-	-	13,436
Office data processing equipment	50,260	-	-	50,260
<b>Total accumulated depreciation</b>	<u>\$ 63,696</u>	-	-	<u>63,696</u>
<b>Capital Assets, net of Accumulated Depreciation</b>				
Office equipment	\$ -	-	-	-
Machinery and equipment	-	-	-	-
<b>Net capital assets</b>	<u>\$ -</u>	-	-	<u>-</u>

The Commission does not have any debt related to capital assets. All capital assets were fully depreciated as of June 30, 2011, therefore, depreciation expense for the year was \$0.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2012**

**NOTE 5. LONG-TERM OBLIGATIONS**

During the year ended June 30, 2012, the following changes occurred:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Compensated absences	\$ 43,597	41,767	(32,320)	53,044	53,044
Accrued sick leave	5,036	33,009	(38,045)	-	-
<b>Total</b>	<u>\$ 48,633</u>	<u>74,776</u>	<u>(70,365)</u>	<u>53,044</u>	<u>53,044</u>

**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, 2012, 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, 2012, \$651,008 was receivable from the federal government under these grants.

**NOTE 7. 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:

2011	\$ 448
2012	<u>5,841</u>
Total	<u>\$ 6,289</u>

The remaining fund balance of \$28,007 in SHARE Fund 90900 is related to a mid-year appropriation that does not expire until June 30, 2013.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 8. 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 10.67% of their gross salary. The Commission is required to contribute 13.34% 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, 2012, 2011, and 2010 were \$98,176, \$108,335, and \$117,435 respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 9. 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.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2012**

**NOTE 9. POST-EMPLOYMENT BENEFITS (CONTINUED)**

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for 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 1.834% of each participating employee’s annual salary; each participating employee is required to contribute .917% 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.

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
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, 2012, 2011, and 2010 were \$13,430, \$11,889, and \$10,081, respectively, which equal the required contributions for each year.

**NOTE 10. 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.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE 11. 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:

2013	\$	86,519
2014		95,835
2015		<u>16,283</u>
Total	\$	<u>198,637</u>

**NOTE 12. 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 13. INTERFUND BALANCES**

Interfund balances at June 30, 2012 consisted of the following:

Due to General Fund from:		
Corrections & Restitution	\$	40,246
Due to Federal Grants Fund from:		
General Fund		<u>14,185</u>
Total	\$	<u>54,431</u>

These balances resulted from money loaned to the funds to cover negative pooled cash balances, an over reversion, and stale dated warrants. 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, 2012**

Type	Measure	FY12 Target Level	FY12 Yearend Result	Met Target
<b>Victim Compensation Program Performance Measures</b>				
Output	<p>Number of formal internal staff trainings conducted annually</p> <p><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.</p>	8	10	Yes
Efficiency	<p>Average number of days to process applications</p> <p><i>Year end Results Narrative</i> - The reduction in processing time is due to the decrease in applications submitted in FY2012.</p>	<120	112	Yes
Outcome	<p>Percent increase in the number of reparation applications received</p> <p><i>Year end Results Narrative</i> - In FY2012, Victim Compensation Program exceeded the target of a 2% increase in the amount of applications received.</p>	2%	9%	Yes
Efficiency	<p>Percent of payment vouchers for Care &amp; Support sent to DFA within two working days or receipt of payment list.</p> <p><i>Year end Results Narrative</i> - In FY2012, there were no budget related actions forcing the reduction and/or delay in payments to providers.</p>	70%	80%	Yes
Outcome	<p>Percent of victims receiving direct advocacy</p> <p><i>Year end Results Narrative</i> - With the victim advocate position filled for the majority of the year, we were able to provide direct advocacy to greater number of applicants.</p>	5%	90%	Yes
Output	<p>Number of victims receiving direct advocacy</p> <p><i>Year end Results Narrative</i> - We projected that we would receive 1,800 applications in FY2012, however we only received 1,691.</p>	1800	1691	No

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**SCHEDULE OF PERFORMANCE DATA - CONTINUED**  
**June 30, 2012**

Type	Measure	FY12 Target Level	FY12 Yearend Result	Met Target
<b>Federal Grant Administration Program Performance Measures (Continued)</b>				
Efficiency	Percent of subrecipients that receive compliance monitoring via desk audits  <i>Year end Results Narrative</i> - The target objective for the current fiscal year was met.	85%	85%	Yes
Output	Number of training workshops conducted for subrecipients  <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 subrecipients are less likely to submit incorrect statistical and financial reports, which improves the efficiency of the program.	12	12	Yes
Outcome	Percent increase in number of services provided to victims of violent crime by grant subrecipients  <i>Year end Results Narrative</i> - The overall increase is due to the VOCA and VAWA funds received in the current fiscal year.	4%	16%	Yes
Efficiency	Percent of site visits conducted  <i>Year end Results Narrative</i> - Increased workload due to administration of stimulus funded projects and position vacancies have hindered the grant administrators' abilities to complete the requisite number of site visits.	30%	16%	No
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, 2012**

Type	Measure	FY11 Target Level	FY11 Yearend Result	Met Target
<b>Federal Grant Administration Program Performance Measures (Continued)</b>				
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
Output	<p>Number of working days between expenditure of federal funds and request for reimbursement from the Federal Treasury</p> <p><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.</p>	5	5	Yes

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2012**

Grantor Agency and Grant Title	Federal CFDA Number	Federal Expenditures
<b>U. S. Department of Justice</b>		
VOCA - Crime Victims Assistance		
2008-VA-GX-0029	16.575	\$ 1,750
2009-VA-GX-0063	16.575	51,103
2010-VA-GX-0099	16.575	980,172
2011-VA-GX-0005	16.575	2,054,961
		<u>3,087,986</u>
VOCA - Crime Victims Compensation		
2008-VC-GX-0039	16.576	-
2009-VC-GX-0057	16.576	1,919
2010-VC-GX-0038	16.576	172,525
2011-VC-GX-0009	16.576	327,602
		<u>502,046</u>
VAWA - Violence Against Women Formula Grants		
2008-WF-AX-0018	16.588	-
2009-WF-AX-0003	16.588	22,000
2010-WF-AX-0047	16.588	1,042,070
2011-WF-AX-0021	16.588	80,785
		<u>1,144,855</u>
SASP - Sexual Assault		
2010-KF-AX-0022	16.017	162,400
American Recovery and Reinvestment Act (ARRA)		
2009-SF-B9-0086 (VOCA VC)	16.801	32,649
2009-EF-S6-0049 (VAWA)	16.588	34,228
		<u>66,877</u>
<b>Total expenditures of Federal Awards</b>		<b>\$ 4,964,164</b>

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

Total expenditures - Federal grants	\$ 4,256,724
Total expenditures - Recovery Act	64,406
Other financing uses - Federal grants	640,564
Other financing uses - Recovery Act	2,470
	<b>\$ 4,964,164</b>

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
NOTES TO THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
June 30, 2012**

**NOTE 1. BASIS OF PRESENTATION**

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

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

The Commission was the pass-through agent for Crime Victims Assistance and Violence Against Women Formula Grants in the amounts of \$3,360,785 and \$1,185,244, respectively.

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**OTHER REPORTS**

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# Ricci & Company LLC

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

## **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. Hector Balderas, New Mexico State Auditor  
and  
Dr. Cameron S. Crandall, Chairman and  
the Board of Commissioners  
New Mexico Crime Victims Reparation Commission and  
Albuquerque, 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, 2012, and have issued our report thereon dated December 12, 2012. 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

Management of the Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. 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 a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Our consideration of the 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, Paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying Schedule of Findings and Questioned Costs as Findings 12-01 and 12-02.

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

This report is intended solely for the information and use of management, others within the 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 12, 2012



# Ricci & Company LLC

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

## **Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133**

Mr. Hector Balderas, New Mexico State Auditor  
and  
Dr. Cameron S. Crandall, Chairman, and  
the Board of Commissioners  
New Mexico Crime Victims Reparation Commission  
Albuquerque, 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, 2012. 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 Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 compliance requirements referred to above that could have a direct an material effect on each of its major federal programs for the year ended June 30, 2012.

Mr. Hector Balderas, New Mexico State Auditor  
and  
Dr. Cameron S. Crandall, Chairman, and the Board of Commissioners  
New Mexico Crime Victims Reparation Commission  
Albuquerque, 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 to determine the 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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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.

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 12, 2012

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended June 30, 2012**

11-01 Untimely Audit Report

Resolved

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2012**

**A. SUMMARY OF AUDIT RESULTS**

***Financial Statements***

Type of auditor's report issued Unqualified

Internal control over financial reporting:

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

Non-compliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

***Federal Awards***

Internal control over major programs:

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

Type of auditor's 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      X   No

Identification of Major Programs Tested

VOCA – Crime Victims Assistance **CFDA Number**  
16.575

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

Auditee qualified as low-risk auditee?   X   Yes    \_\_\_\_\_ No

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012**

**B. FINDINGS – OTHER MATTERS**

**12-01 REVERSION TO THE STATE GENERAL FUND**

**CRITERIA**

Section 6-5-10, NMSA 1978, requires "all unreserved, undesignated fund balances in reverting funds and accounts as reflected in the central accounting system as of June 30, be reverted by September 30 to the General Fund. The division may adjust the reversion within forty five days of release of the audit report for that fiscal year." The 2012 New Mexico State Auditor Rule 2.2.2.12(A)(6)(b) requires a finding should an agency not be in compliance with this requirement.

**CONDITION**

Prior year reversions related to fiscal year 2011 totaling \$448 were not reverted to the State General Fund as of June 30, 2012. The liability was still outstanding.

**EFFECT**

The Department is not in compliance with 6-5-10, NMSA 1978. To avoid the potential of future sanctioning, the Commission should submit reversions in a timely manner. In addition, the Department is not practicing ideal cash management since liabilities are not paid in a timely manner.

**CAUSE**

Although funds related to the current and prior audit years were reverted prior to September 30, 2012 and 2011, respectively, adjustments to the reversion as a result of the June 30, 2011 audit, had not been reverted as of June 30, 2012.

**RECOMMENDATION**

We recommend that the Commission implement controls to ensure that adjustments to the original reversion calculation be reverted in a timely manner, which is no later than forty-five days from the release of the audit report.

**MANAGEMENT RESPONSE**

The Commission will establish procedures where the adjusted balance for account 234900 reported on the Auditor's adjusted trial balance will be compared to the previously submitted reversion amount. If any variation exists, the Commission will determine what adjustments to the original reversion are required to net a zero balance in account 234900. The adjustments to the original reversion will be submitted to DFA no later than forty five days from the release of the audit report.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012**

**B. FINDINGS – OTHER MATTERS**

**12-02 Travel and Per Diem**

**CRITERIA**

Pursuant to 10-8-4 NMSA 1978, individuals must obtain supervisor approval prior to completing overnight travel.

**CONDITION**

During our travel and per diem internal control test work, we noted that two of four items tested did not have proper approval of travel.

**CAUSE**

The travel reimbursements were filled out by the employees traveling on behalf of the Commission and processed for payment without documented written approval of the travel by the agency's designee.

**EFFECT**

The Commission could reimburse employees for travel expenses that were not authorized.

**RECOMMENDATION**

We recommend that management develop additional procedures related to the approval of travel reimbursements for all employees and their supervisors.

**MANAGEMENT RESPONSE**

The Commission will update its travel and per diem policies and procedures to include a requirement for an employee interested in work related travel to submit a travel request form that must be approved by the Director or designee.

**NEW MEXICO CRIME VICTIMS REPARATION COMMISSION  
EXIT CONFERENCE  
For the Year Ended June 30, 2012**

**Exit Conference**

An exit conference was held on December 11, 2012 to discuss the annual financial report. Attending were the following:

Representing the New Mexico Crime Victims Reparation Commission:

Dr. Cameron Crandall, Chairman

Kristy Ring, Director

Robin Brassie, Deputy Director

Andrew Silva, Chief Financial Officer

Representing the Independent Auditor:

Herman Chavez, CPA

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

