

**STATE OF NEW
MEXICO
DEPARTMENT OF
PUBLIC SAFETY
FINANCIAL STATEMENTS**

JUNE 30, 2009

Moss Adams LLP
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STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
OFFICIAL ROSTER
JUNE 30, 2009

Name	Title
John Denko	Cabinet Secretary
Faron Segotta	Deputy Secretary/ Chief-State Police Division
Mike Mier	Deputy Secretary-Administration

Division Directors

Herald Lopez (Acting)	Administrative Services Division
Capt. Chris Martinez	Special Investigations Division
Art Ortiz	Training and Recruitment Division
Vacant	Technical Support Division
Forrest Smith	Motor Transportation Division
Stephen Easley	Information Technology Division

Independent Auditors' Report

Mr. John Denko, Secretary
State of New Mexico
Department of Public Safety
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

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

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

Mr. John Denko, Secretary
State of New Mexico
Department of Public Safety
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Department as of June 30, 2009, and the respective changes in financial position, where applicable, thereof, and the budgetary comparisons for the general fund and major special revenue funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund and fiduciary funds of the Department as of June 30, 2009, and the respective changes in the financial position thereof and the budgetary comparisons of the major capital projects fund and non-major funds for the year ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 17 to the financial statements, as of July 1, 2008, the Department converted an agency fund to a special revenue fund (346 Peace Officers' Survival Fund). The net cumulative effect of this change in fund type resulted in an increase to the July 1, 2008 fund financial statements and Statement of Net Assets of \$116,609.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 2009, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the

Mr. John Denko, Secretary
State of New Mexico
Department of Public Safety
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

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.

For the year ended June 30, 2009, the Department has presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Management's Discussion and Analysis. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. In addition, the accompanying schedules listed as supplemental information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Moss Adams LLP

Albuquerque, New Mexico
December 3, 2009

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

The following *Management's Discussion and Analysis*, or MD&A, for the State of New Mexico, Department of Public Safety (the Department) introduces the basic financial statements and provides an analytical overview of the Department's financial condition and results of operations as of and for the year ended June 30, 2009. Additionally, the MD&A provides a discussion of significant changes in the account categories presented in the entity-wide *Statement of Net Assets* and *Statement of Activities*. This summary should not be taken as a replacement for the basic financial statements.

The MD&A is a required element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* issued in June 1999; GASB Statement No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus*, an amendment to GASB Statements No. 21 and No. 34 issued in June 2001; and GASB Statement No. 38, *Certain Financial Statement Note Disclosures* issued in June 2001.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

Although the Department is one of several agencies within the government of the State of New Mexico, the focus of this financial report is only on the Department and not the State of New Mexico taken as a whole. The financial statements include the following three elements: (1) *Management's Discussion and Analysis*, (2) the *Basic Financial Statements*, and (3) *Other Supplementary Information*. The basic financial statements include two kinds of statements that present different views of the Department:

- The first two statements are *entity-wide financial statements* that report information about the Department's overall financial condition and results of operations, both long-term and short-term, using accounting methods similar to those used by private-sector companies. The *Statement of Net Assets* includes all of the Department's assets, liabilities, and net assets. All revenues and expenses are accounted for in the *Statement of Activities* regardless of when cash is received or disbursed. The remaining statements are fund financial statements.
- *Governmental funds statements*, including the *Balance Sheet* and the *Statement of Revenues, Expenditures, and Change in Fund Balance*, focus on individual parts of the Department, reporting the Department's financial condition and results of operations in more detail than the entity-wide statements, and tell how general government services were financed in the short term as well as what remains for future spending. Emphasis is on the general and major funds. Other governmental funds are summarized in a single column.
- *Statement of Revenues and Expenditures – Budget and Actual (Non-GAAP Budgetary Basis)* reports the original approved budget, final approved budget, and actual results presented on the budgetary basis of reporting for the general fund and all major funds. A separate column is presented to report any variances between the final budget and actual amounts.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

- *Statement of Fiduciary Net Assets* provides information about the financial relationships in which the Department acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Additional details about the basic financial statements are found in the *Notes to the Financial Statements* and the *Other Supplementary Information* sections.

FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE

The following condensed financial information was derived from the entity-wide financial statements and compares the current year to the prior year:

	<u>Current Year</u> <u>June 30, 2009</u>	<u>Prior Year</u> <u>June 30, 2008</u>	<u>Increase or</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Assets				
Current assets	\$ 15,242,824	\$ 28,284,084	\$ (13,041,260)	- 46.1 %
Capital assets	<u>13,746,245</u>	<u>17,479,416</u>	<u>(3,733,171)</u>	<u>- 21.4 %</u>
Total assets	<u>28,989,069</u>	<u>45,763,500</u>	<u>(16,774,431)</u>	<u>- 36.7 %</u>
Liabilities				
Current liabilities	12,653,645	24,102,447	(11,448,802)	- 47.5 %
Long-term liabilities	<u>2,209,245</u>	<u>2,303,869</u>	<u>(94,624)</u>	<u>- 4.1 %</u>
Total liabilities	<u>14,862,890</u>	<u>26,406,316</u>	<u>(11,543,426)</u>	<u>- 43.7 %</u>
Net assets				
Invested in capital assets	13,746,245	17,479,416	(3,733,171)	- 21.4 %
Restricted	-	-	-	-
Unrestricted	<u>379,934</u>	<u>1,877,768</u>	<u>(1,497,834)</u>	<u>- 79.8 %</u>
Total net assets	<u>\$ 14,126,179</u>	<u>\$ 19,357,184</u>	<u>\$ (5,231,005)</u>	<u>- 27.0 %</u>
Program revenues and expenses				
Program revenues	\$ 15,380,317	\$ 14,057,445	\$ 1,322,872	9.4 %
Program expenses	<u>125,547,541</u>	<u>120,646,440</u>	<u>4,901,101</u>	<u>4.1 %</u>
Net revenue (expense)	(110,167,224)	(106,588,995)	3,578,229	3.4 %
General revenues (expenses)				
General Fund appropriations	97,133,200	91,520,600	5,612,600	6.1 %
Road Fund appropriation	6,914,000	6,000,000	914,000	15.2 %
Other sources	2,687,899	3,380,771	(692,872)	- 20.5 %
Other (uses)	<u>-</u>	<u>(9,086,107)</u>	<u>(9,086,107)</u>	<u>- 100.0 %</u>
Total general revenues (expenses)	106,735,099	91,815,264	14,919,835	16.2 %
Gain/(Loss) on disposal of capital assets	(1,619,166)	362,876	(1,982,042)	- 546.2 %
Reversion to State General Fund	<u>(296,323)</u>	<u>(1,115,463)</u>	<u>(819,140)</u>	<u>- 73.4 %</u>
Change in net assets	(5,347,614)	(15,526,318)	(10,178,704)	- 65.6 %
Beginning net assets	19,357,184	34,883,502	(15,526,318)	- 44.5 %

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

Restatements	<u>116,609</u>	<u>-</u>	<u>116,609</u>	<u>100.0 %</u>
Beginning net assets as restated	<u>19,473,793</u>	<u>34,883,502</u>	<u>(15,409,709)</u>	<u>- 44.2 %</u>
Ending net assets	<u>\$ 14,126,179</u>	<u>\$ 19,357,184</u>	<u>\$ (5,231,005)</u>	<u>- 27.0 %</u>

Significant factors impacting the Department's financial position and results of operations during the year ended June 30, 2009 are as follows:

- *Current Assets* decreased by \$13,041,260 or 46.1 percent due to reductions in Investment in the State Treasurer's General Fund Investment Pool and federal grant receivables. Federal draw-downs were timely resulting in a reduction of the receivable.
- *Capital Assets and Investment In Capital Assets* decreased by \$3,733,171 or 21.4 percent due to deletions to clean up the capital assets listing.
- *Total Assets* decreased by \$16,774,431 or 36.7 percent. See discussions under *Current Assets* and *Capital Assets and Investment in Capital Assets* above.
- *Current Liabilities* decreased by \$11,448,802 or 47.5 percent due to reductions in accounts payable, due to other state agencies, and due to the State Treasurer as the result of maintaining a positive cash balance in the Department's account at the State Treasurer's Office during the fiscal year.
- *Long-Term Liabilities* decreased by \$94,624 or 4.1 percent due to a reduction in compensated absences due after one year.
- *Total Liabilities* decreased by \$11,543,426 or 43.7 percent. See discussion under *Current Liabilities and Long-Term Liabilities* above.
- The Department had no *Restricted Net Assets* at June 30, 2009 or June 30, 2008.
- *Unrestricted Net Assets* decreased by \$1,497,834 or 79.8 percent.
- *Total Net Assets and Total Liabilities* decreased by \$5,231,005 or 27.0 percent.
- *Program Revenues* increased by \$1,322,872 or 9.4 percent. The Department received increased funding from the U.S. Departments of Justice and Transportation.
- *Program Expenses* increased by \$4,901,101 or 4.1 percent primarily due to increases in public liability insurance premiums, the purchase of patrol vehicles, and increased operations at ports of entry throughout the State.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

- *Deficiency of Program Revenues over Program Expenses* increased by \$3,578,229 or 3.4 percent. See discussion under *Program Revenues* and *Program Expenses* above.
- *General Fund Appropriations* increased by \$5,612,600 or 6.1 percent over the prior year's appropriations. \$2.3 million was included in the base appropriation for public liability insurance premiums, \$1.5 million to purchase patrol vehicles for the New Mexico State Police, \$1.4 million to expand port-of-entry operations in the Motor Transportation Division, and \$400,000 for remote duty pay for New Mexico State Police commissioned officers.
- *Road Fund Appropriation* increased by \$914,000 or 15.2 percent over the prior year's appropriation. The increase was for the compensation packages for commissioned Motor Transportation Division officers and civilian staff.
- *Other Sources (Transfers In)* decreased by \$692,872 or 20.5 percent due to reductions in compensation packages from FY 2008 to FY 2009. General fund compensation packages totaling \$1,341,600 were appropriated to the agency in FY 2009 for commissioned officers (\$918,800) and classified/exempt personnel (\$422,800).
- *Other Uses (Transfers Out)* increased by \$9,086,107 or 100.0 percent as there were no transfers to other state agencies during the fiscal year.
- *A Reversion to State General Fund* of \$296,323 was recorded for other state funds in excess of the four percent limitation, special and data processing appropriations that expired, and amounts not expended from the road fund appropriation. The reversion decreased by \$819,140 or 73.4 percent over the FY 2008 reversion.
- *Ending Net Assets* decreased by \$5,231,005 or 27.0 percent. See discussion under *Current Assets* above.

FINANCIAL ANALYSIS AT THE FUND LEVEL

The following analysis was derived from the fund financial statements and compares the current year fund balances to the prior year:

	Fund Balance			
	Current Year June 30, 2009	Prior Year June 30, 2008	Increase or (Decrease)	Percentage Change
General Fund – Reserved	\$ 99,546	\$ 32,417	\$ 67,129	207.1 %
General Fund – Unreserved	(581,506)	1,377,299	(1,958,805)	- 142.2 %
Special Revenues	5,125,433	4,745,259	380,174	8.0 %
Capital Projects	245,124	424,566	(179,442)	- 42.3 %
Total	\$ 4,888,597	\$ 6,579,541	\$ (1,690,944)	- 25.7 %

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

The significant decrease in the general fund reserves is due to several special and data processing appropriations whose revenues were accrued in previous fiscal years but not expended until FY 2009.

GENERAL BUDGETARY HIGHLIGHTS

Original budgeted revenues and expenditures for Federal Funds were increased by \$2,082,215 during the year ended June 30, 2009, from \$20,956,300 to \$23,038,515 for receipt of funds from the U.S. Department of Justice's federal asset sharing program; and federal grants from the U.S Department of Transportation, U.S. Department of Homeland Security, Office of National Drug Control Policy and the U.S. Drug Enforcement Agency.

There were no significant variances (i.e., excess expenditures over appropriations) to be reported for the fiscal year.

PERFORMANCE MEASURES

The Department collects data to measure success in meeting performance measure targets to address the requirements for the Accountability in Government Act (AGA), Sections 6-3A-1 through 6-3A-8 NMSA 1978. Performance measures outlined in the General Appropriation's Act, Laws of 2008, Chapter 3, Section 4 for the year ended June 30, 2009 were:

<u>TYPE</u>	<u>MEASURE</u>	<u>TARGET</u>	<u>RESULT</u>
Law Enforcement:			
Output	Number of driving-while-intoxicated arrests per year.	3,600	3,694
Output	Number of first-time driving-while-intoxicated arrests per year.	2,050	2,362
Output	Number of repeat driving-while-intoxicated arrests per year.	1,550	1,332
Output	Number of driving-while-intoxicated crashes investigated per year.	300	216
Output	Number of drug arrests.	1,200	1,256
Explanatory	Number of fatal crashes in New Mexico.	400	343
Output	Number of narcotic seizures by the Motor Transportation Division.	50	74
Output	Number of criminal cases investigated.	15,000	17,525
Output	Number of administrative citations issued to licensed liquor establishments for the illegal sales or service of alcohol to minors and intoxicated persons by the Special Investigations Division.	200	558
Output	Number of criminal citations or arrests for the illegal sales or service of	200	230

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

<u>TYPE</u>	<u>MEASURE</u>	<u>TARGET</u>	<u>RESULT</u>
	alcohol to minors and intoxicated persons by the Special Investigations Division.		
Output	Number of commercial motor vehicle safety inspections by the Motor Transportation Division.	90,000	114,628
Outcome	Percent of strength of commissioned officers.	87.0%	83.4%
Program Support:			
Outcome	Percent of deoxyribonucleic acid (DNA) cases processed within seventy (70) days from submission.	100.0%	93.7%
Outcome	Percent of applicants' criminal background checks completed within twenty-eight (28) days of submission.	100.0%	108.4%
Outcome	Percent of criminal fingerprint cards completed within thirty-five (35) days of submission.	100.0%	93.9%
Outcome	Percent of operability for all mission-critical software applications residing on agency servers.	99.9%	99.9%

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Department's capital assets, net of depreciation, are \$13,746,245 or 47.4 percent of total assets. *Capital Assets and Investment In Capital Assets* decreased by \$3,733,171 or 21.4 percent due to deletions to clean up the capital assets listing. The Department has no infrastructure assets.

Total compensated absences at June 30, 2009 are \$4,408,663. The estimated amount to be paid from current General Fund appropriations within one year is \$2,299,418 or 51.0 percent, with \$2,209,245 or 49.0 percent due after one year. There was no significant activity to report for compensated absences during the year ended June 30, 2009.

The Department does not have any long-term debt.

NEXT YEAR'S BUDGET AND RATES

The Department depends primarily on appropriations from the New Mexico State General Fund. The State Legislature appropriated \$130,961,400 for the fiscal year 2010 operating budget in the Laws of 2009, Chapter 124, Section 4. Section 10 reduced the Department's appropriation by \$269,300 to reflect reduced public property and liability insurance rates for a total net appropriation of \$130,692,100.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2009**

The Laws of 2009, Chapter 124, Section 5 included an additional \$110,000 in special appropriations to repay the City of Hobbs for infrastructure costs for the Department's new forensic laboratory. The Laws of 2009, Chapter 124, Section 6 included a supplemental appropriation of \$800,000 for the New Mexico State Police spring recruit class in FY 2009.

The Laws of 2009, Chapter 125 will provide \$4,500,000 for these capital outlay projects:

Section 6	Equip, furnish and landscape the site, including equipping a spur road, at the Lordsburg Port of Entry in Hidalgo County.	\$1,500,000
Section 6	Purchase and install modular units and make other improvements at New Mexico State Police sub-stations in Cuba in Sandoval County, and Santa Rosa in Guadalupe County.	\$550,000
Section 28	Purchase and equip law enforcement vehicles statewide.	\$2,000,000

The fiscal year 2010 budget in the Laws of 2009, Chapter 124 includes a general fund appropriation of \$94,827,600 – a reduction of \$4,917,700 or 4.9 percent over fiscal year 2009.

FINANCIAL CONTACT

The Department's financial statement is designed to present users with the general overview of the Department's finances and to demonstrate the Department's accountability. If you have any questions about the report or need additional information, please contact:

New Mexico Department of Public Safety
Administrative Services Division Director
PO Box 1628
Santa Fe, New Mexico 87504-1628

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF NET ASSETS
June 30, 2009

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 211,719
Investment in State Treasurer General Fund Investment Pool	10,179,881
Federal grants receivable	4,230,724
Trade receivables	
Less allowance for doubtful accounts of \$32,826	93,670
Due from other state agencies	494,663
Due from local governments	
Less allowance for doubtful accounts of \$379,548	15,790
Supplies inventory	12,109
Prepaid postage	4,268
	<hr/>
Total current assets	15,242,824
	<hr/>
Capital assets, not being depreciated	14,394
Capital assets being depreciated, net of accumulated depreciation	13,731,850
	<hr/>
Total assets	\$ 28,989,068
	<hr/>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	\$ 4,124,303
Accrued salaries and benefits payable	3,908,113
Due to other state agencies	129,998
Due to State General Fund	2,180,146
Due to other federal agencies	11,667
Compensated absences	2,299,418
Total current liabilities	12,653,645
	<hr/>
Long-term Liabilities	
Compensated absences due after one year	2,209,241
Total long-term liabilities	2,209,241
	<hr/>
Total liabilities	14,862,886
	<hr/>
Net Assets	
Invested in capital assets	13,746,244
Unrestricted	379,938
	<hr/>
Total net assets	14,126,182
	<hr/>
Total liabilities and net assets	\$ 28,989,068
	<hr/>

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF ACTIVITIES
June 30, 2009

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants	Governmental Activities
Governmental Activities				
Law Enforcement	\$ 105,511,333	3,705,293	8,137,333	(93,668,707)
Program Support	20,036,210	1,565,902	1,971,789	(16,498,519)
Total governmental activities	125,547,543	5,271,195	10,109,122	(110,167,226)
General revenues and (expenses)				
Transfers - State General Fund appropriations				\$ 97,133,200
Transfers - State Road Fund appropriations				6,914,000
Transfers in from other state agencies				2,687,899
Transfers - reversions to State General Fund - 2009 FY				(296,323)
Loss on sale of capital assets				(1,619,161)
Total general revenues				104,819,615
Change in net assets				(5,347,611)
Net assets, beginning				19,357,184
Cummulative effect - change in fund type				116,609
Net assets, beginning - after cummulative effect				19,473,793
Net assets, ending				\$ 14,126,182

See Notes to Financial Statements.

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2009

	General Fund	Federal Forfeitures-SPD	Capital Projects
ASSETS			
Interest in State Treasurer General			
Fund Investment Pool	\$ 4,491,977	2,476,618	250,124
Cash in banks	97,568	-	-
Cash on hand	14,151	100,000	-
Federal grants receivable	4,230,724	-	-
Trade Receivables			
less allowance for doubtful accounts of \$32,826	93,670	-	-
Due from other funds	25,000	-	-
Due from other state agencies	453,651	649	-
Due from local governments			
less allowance for doubtful accounts of \$379,548	-	-	-
Supplies inventory	12,109	-	-
Prepaid postage	4,268	-	-
Total assets	\$ 9,423,118	2,577,267	250,124
LIABILITIES			
Accounts payable	\$ 3,869,128	-	5,000
Accrued salaries and benefits payable	3,908,113	-	-
Due to other funds	1,606	-	-
Due to other federal agencies	11,667	-	-
Due to other state agencies	129,998	-	-
Due to the State General Fund	1,984,566	-	-
Total liabilities	9,905,078	-	5,000
FUND BALANCES			
Reserved for			
Petty cash and change funds	14,151	-	-
Inventories	12,109	-	-
Postage	4,268	-	-
Multi-year appropriations	69,018	-	-
Unreserved, undesignated, reported in			
General Fund (deficit)	(581,506)	-	-
Federal Forfeiture Funds	-	2,577,267	-
Special Revenue Funds	-	-	-
Capital Project Funds	-	-	245,124
Total fund balances (deficit)	(481,960)	2,577,267	245,124
Total liabilities and fund balance	\$ 9,423,118	2,577,267	250,124

See Notes to Financial Statements.

	Other Non-Major Funds	Total Governmental Funds
\$	2,961,162	10,179,881
	-	97,568
	-	114,151
	-	4,230,724
	-	93,670
	1,606	26,606
	40,363	494,663
	15,790	15,790
	-	12,109
	-	4,268
	<u>3,018,921</u>	<u>15,269,430</u>
\$	250,175	4,124,303
	-	3,908,113
	25,000	26,606
	-	11,667
	-	129,998
	<u>195,580</u>	<u>2,180,146</u>
	<u>470,755</u>	<u>10,380,833</u>
	-	14,151
	-	12,109
	-	4,268
	-	69,018
	-	(581,506)
	-	2,577,267
	2,548,166	2,548,166
	-	245,124
	<u>2,548,166</u>	<u>4,888,597</u>
\$	<u>3,018,921</u>	<u>15,269,430</u>

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
June 30, 2009

Total fund balance for the governmental fund (balance sheet)	\$ 4,888,597
Amounts reported for governmental activities in the Statement of Net assets are different because	
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,746,244
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(4,508,659)</u>
Net assets of governmental activities (statement of net assets)	<u><u>\$ 14,126,182</u></u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2009

	General Fund	Federal Forfeitures-SPD	Capital Projects
Revenues			
Federal grants	\$ 9,601,368	-	-
State grants	407,754	-	100,000
Forfeitures	-	1,565,902	-
Other program fees	2,737,819	38,053	-
Proceeds from sale of property	351,963	-	-
Total revenues	<u>13,098,904</u>	<u>1,603,955</u>	<u>100,000</u>
Expenditures			
Public safety			
Current			
Personal services and employee benefits	89,188,245	-	-
Contractual services	4,379,343	-	166,948
Other costs	25,259,622	-	112,494
Capital outlay	3,521,953	-	600,000
Total expenditures	<u>122,349,163</u>	<u>-</u>	<u>879,442</u>
Excess (deficiency) of revenues over expenditures	<u>(109,250,259)</u>	<u>1,603,955</u>	<u>(779,442)</u>
Other Financing Sources (Uses)			
Transfers - State General Fund appropriations	97,133,200	-	-
Transfers - State Road Fund appropriations	6,914,000	-	-
Transfers - reversions to State General Fund - 2009 FY	(271,619)	-	-
Interagency Transfer In	1,356,600	-	600,000
Interfund Transfer In	2,226,402	-	-
Interfund Transfer Out	-	(1,444,390)	-
Interagency Transfers Out	-	-	-
Total other financing sources (uses)	<u>107,358,583</u>	<u>(1,444,390)</u>	<u>600,000</u>
Change in fund balances	<u>(1,891,676)</u>	<u>159,565</u>	<u>(179,442)</u>
Fund balances, beginning	1,409,716	2,417,702	424,566
Cummulative effect - change in fund type	-	-	-
Fund balances, ending	<u>\$ (481,960)</u>	<u>2,577,267</u>	<u>245,124</u>

See Notes to Financial Statements.

	Other Non-Major Funds	Total Governmental Funds
\$	-	9,601,368
	-	507,754
	-	1,565,902
	929,421	3,705,293
	-	351,963
	<u>929,421</u>	<u>15,732,280</u>
	-	89,188,245
	-	4,546,291
	750,000	26,122,116
	-	4,121,953
	<u>750,000</u>	<u>123,978,605</u>
	179,421	(108,246,325)
	-	97,133,200
	-	6,914,000
	(24,704)	(296,323)
	731,299	2,687,899
	-	2,226,402
	(782,012)	(2,226,402)
	-	-
	<u>(75,417)</u>	<u>106,438,776</u>
	104,004	(1,807,549)
	2,327,553	6,579,537
	116,609	116,609
\$	<u>2,548,166</u>	<u>4,888,597</u>

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
June 30, 2009

Net change in Fund Balance - Total Governmental Funds \$ (1,807,549)
(Statement of Revenues, Expenditures and Changes in Fund Balance)

Amounts reported for governmental activities in the Statement of Activities
are different because

Capital outlays to purchase or build capital assets are reported in
governmental funds as expenditures. However, for governmental
activities these costs are shown in the statement of net assets and
allocated over their estimated useful lives as annual depreciation
expenses in the Statement of Activities.

Capital asset additions	\$ 4,286,385	
Depreciation expense	<u>(6,048,433)</u>	(1,762,048)

Governmental funds only report the disposal of capital assets to the extent
proceeds are received from the sale. In the Statement of Activities,
a gain or loss is reported for each disposal. This is the amount of the
net book value of the capital assets disposed of. (1,971,124)

Some items reported in the Statement of Activities do not require the use
of current financial resources and, therefore, are not reported as
expenditures in governmental funds.

Change in compensated absences		<u>193,110</u>
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Change in net assets of governmental activities (statement of activities)		<u><u>\$ (5,347,611)</u></u>
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See Notes to Financial Statements.

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
MAJOR FUND - FUND 128
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 99,033,700	97,124,200	97,133,200	9,000
Other appropriations	6,949,900	6,949,900	6,914,000	(35,900)
Federal funds	20,956,300	23,038,515	9,601,368	(13,437,147)
Other state funds	5,214,000	5,703,000	3,497,536	(2,205,464)
Other financing sources	2,943,800	3,019,688	3,583,002	563,314
Reversions	-	-	(271,619)	(271,619)
Total revenues	<u>135,097,700</u>	<u>135,835,303</u>	<u>120,457,487</u>	<u>(15,377,816)</u>
Prior year cash budgeted	<u>2,569,476</u>	<u>2,569,476</u>		
Total budgeted revenues	<u>\$ 137,667,176</u>	<u>138,404,779</u>		
Expenditures				
Personal services & benefits	\$ 96,922,500	96,079,850	89,188,245	6,891,605
Contract services	6,203,648	6,410,313	4,379,343	2,030,970
Other	34,531,028	35,904,616	28,781,575	7,123,041
Other financing uses	10,000	10,000	-	10,000
Total budgeted expenditures	<u>\$ 137,667,176</u>	<u>138,404,779</u>	<u>122,349,163</u>	<u>16,055,616</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (1,891,676)</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
FEDERAL FORFEITURES FUND 343
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Federal funds	\$ 267,000	267,000	<u>1,603,954</u>	<u>1,336,954</u>
Total budgeted revenues			<u>\$ 1,603,954</u>	<u>1,336,954</u>
Prior year cash budgeted	<u>-</u>	<u>-</u>		
Total budgeted revenues	<u>\$ 267,000</u>	<u>267,000</u>		
Expenditures				
Other financing uses	\$ 267,000	1,576,100	<u>1,444,389</u>	<u>131,711</u>
Total budgeted expenditures	<u>\$ 267,000</u>	<u>1,576,100</u>	<u>1,444,389</u>	<u>131,711</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 159,565</u>	

See Notes to Financial Statements.

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES-AGENCY FUNDS
June 30, 2009

	<u>Agency Funds</u>
ASSETS	
Interest in State Treasurer General Fund Investment Pool	\$ 433,560
Due from other state agencies	-
Total assets	<u>\$ 433,560</u>
LIABILITIES	
Assets held for others	433,560
Total liabilities	<u>\$ 433,560</u>

See Notes to Financial Statements.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 1. HISTORY AND FUNCTION

On July 1, 1987, the Department of Public Safety (Department) was formed by NMSA, Section 9-19. The Department of Public Safety combined the activity that was previously handled by the following:

1. New Mexico State Police
2. Enforcement portion of the Alcoholic Beverage Control
3. Law Enforcement Academy
4. Civil Emergency Preparedness Division of the Office of Military Affairs
5. Hazardous Materials Emergency Response Program
6. Governors Organized Crime Prevention Commission

On July 1, 1999, the Motor Transportation Division (MTD) was transferred to the Department from the New Mexico Taxation and Revenue Department. On July 1, 2007, the Emergency Management Division was transferred from the Department to the New Mexico Department of Homeland Security and Emergency Management.

The basic function of the Department of Public Safety is to establish a single, unified department to consolidate state law enforcement and safety functions. The goal is to provide better management, real coordination and efficient use of state resources and manpower in responding to New Mexico's public safety needs and problems.

The accounting policies of the New Mexico Department of Public Safety conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity and Component Units

The chief executive of the Department is the Secretary, who is appointed by the Governor of the State of New Mexico and is a member of the Governor's cabinet. The Department is a component unit to the executive branch and these financial statements include all funds, programs and activities over which the Department Secretary has oversight responsibility.

In evaluating how to define the Department 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 governing body's ability to exercise oversight responsibility. The most significant manifestation of

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

A. Reporting Entity and Component Units (Continued)

this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the 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 Department is able to exercise oversight responsibilities. Based upon the application of these criteria, the Department does not have any component units.

The Department 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). Even though the Department Secretary is appointed by the Governor, the Department Secretary has decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

B. Basic Financial Statements - Government-Wide Statements

The Department's basic financial statements include both government-wide (based on the Department as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic statement) categorize primary activities as either governmental or business type, excluding fiduciary funds or component units that are fiduciary in nature. The Department is a single purpose government entity and has no business type activities. In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis are reflected on the full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. The Department's net assets are reported in three parts; invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

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

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety) which are otherwise supported by general government revenues. The Statement of Activities reduces gross expense (including depreciation expense on capital assets) by related program revenues, operating and capital grants. Program revenue must be directly associated with the function (public safety) and consists of federal grants, forfeitures from criminal and fees for services.

The net cost by function is normally covered by general revenue. Since the Department only has one program, it does not employ indirect cost allocation. Program revenues consist of federal and state grants and fines and fees.

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

C. Basic Financial Statements - Fund Financial Statements

Emphasis is on the major funds of the governmental category. Non-major funds are summarized into a single column. The Department's major funds are its General Fund, Federal Forfeitures Special Revenue Fund, and Capital Projects Fund. The Capital Projects Fund is presented as a major fund each year, even if it does not meet the definition of one, as expenditures vary from year to year and this presentation is consistent and easier for financial statement users.

The governmental funds in the financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed more appropriate to demonstrate legal and covenant compliance, to demonstrate the source and use of liquid resources and to demonstrate how the Department's actual experience conforms with the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

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

The Department's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide statements.

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

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

The following fund types are used by the Department:

Governmental Fund Types

All governmental fund types are accounted for on a current financial resources 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) 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.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

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

Governmental Fund Types (Continued)

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

- | | |
|-------|--|
| 12800 | General Operating - The operating account for the Department. This is a reverting fund. |
| 69600 | Local Law Enforcement Program Fund - This is also an operating account for the Department which receives federal grant revenues. It is mainly inactive, and the Department is researching its necessity. |

Special Revenue Funds. The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes and non reverting except as noted.

- | | |
|-------|--|
| 27200 | State Chemist Fees Fund - The State Chemist Fees Fund was established in accordance with a New Mexico Department of Finance and Administration directive to account for substance abuse fees collected and expended for the administration of certain Department of Public Safety programs related to controlled substances. |
| 34200 | Forfeitures (CSA) Fund - The CSA Forfeitures Fund was established in accordance with Section 30-31-35, NMSA 1978 Compilation to account for property forfeited under the Controlled Substance Act. The funds received are to be utilized by the Law Enforcement Agency in the enforcement of the Act. |

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

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

Governmental Fund Types (Continued)

- 34300 Federal Forfeitures Fund - State Police - The Federal Forfeitures Funds were established in accordance with the authority found in 21 U.S.C. s 881 (e) (1) (A), 18. U.S.C. s 981 (e) and 19 U.S.C. s 1616 to account for the proportionate share of funds received from federal property seizures. Procedures are to be used in accordance with guidelines established in *Asset Forfeiture and Equitable Sharing: An Update*.
- 34600 Peace Officers' Survival Fund - The Peace Officers' Survival Fund was established in accordance with Section 29-4 NMSA, 1978 Compilation to account for monies held as supplemental death benefits to the spouses and surviving children of New Mexico peace officers killed in the line of duty on or after April 5, 1995. A review committee consisting of the New Mexico Attorney General, State Police Chief and State President of the Fraternal Order of Police determine eligibility. Per Chapter 29, Article 4A NMSA 1978, this fund is non-reverting.
- 59400 Concealed Handgun Carry Fund - The Concealed Handgun Carry Fund was established in the Laws of 2001, Chapter 29-19-13, to carry out the provisions of the Concealed Handgun Carry Act. Balances remaining at the end of any fiscal year shall not revert to the State General Fund and may be used to maintain the state's criminal history database.
- 67000 Orphan Materials Recovery Fund - The Orphan Materials Recovery Fund was established in accordance with Section 74-4B-13, NMSA 1978 Compilation to account for contracting for the disposal of orphan hazardous materials held in the possession of the Department and identified by state emergency response officers.

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

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

Governmental Fund Types (Continued)

- 78600 Law Enforcement Advanced Training Fund - The Law Enforcement Training Fund was established in accordance with Section 29-7-12, NMSA 1978 Compilation to account for funds obtained in administering special training programs. The funds are used to conduct special training programs by specialized instructors. Any unexpended, unencumbered cash balance reverts to the State General Fund at the end of each fiscal year.
- 89400 Crime Stoppers Reward Fund - The Crime Stoppers Reward Fund was established in accordance with a New Mexico Department of Finance and Administration directive to account for contributions (gifts, bequests or court-ordered amounts) to the Crime Stoppers program and expenditures from the program. The fund is a non-DFA vouchering fund. A duly authorized bank account (Bank of America, Account #0001 2422 9485) is used to deposit receipts and to disburse expenditures. The fund is a non-budgeted fund.
- 88200 Special Donations Fund (SHARE 882000) - The Special Donations Fund was established in accordance with the New Mexico Department of Finance and Administration directive to account for contributions (gifts, bequests, or court-ordered amounts). The fund is budgeted as a DFA vouchering fund. The use of funds are specified by the donor. The fund is a non-budgeted fund.
- 90800 Federal Forfeitures Fund - Motor Transportation - The Federal Forfeitures Funds were established in accordance with the authority fund in 21 U.S.C. s 881 (e) (1) (A), 18. U.S.C. s 981 (e) and U.S.C. s 1616 to account for the proportionate share of funds received from federal property seizures. Procedures are to be used in accordance with guidelines established in *Asset Forfeiture and Equitable Sharing: An Update*. The fund is a non-budgeted fund.

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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

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

Capital Projects Funds - The Capital Projects Funds are used to account for major capital expenditures.

09000 Capital Projects Fund (1998 Projects) - The Capital Projects Fund was initially established in accordance with Chapter 7, Section 14, Laws of 1998, to account for funds received from the issuance of Severance Tax Bonds in the amount of \$20,000 to purchase and install communications technology for the town of Mesilla in Dona Ana County. It is now used for other capital projects. It is funded by state appropriations used for buildings and other projects.

Fiduciary Fund Types

Fiduciary fund types include trust and agency funds, which are used to account for assets held by the Department in the capacity of trustee or agent.

Agency Fund - Agency funds are used to account for assets held as an agent for other governmental units, individuals and other funds. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

40200 DNA Fund – The DNA Identification System Fund was established Pursuant to the DNA Identification Act, Laws of 1997, Chapter 105, effective July 1, 1997. It is used to collect fees of \$100 from convicted felons. Fees are used by New Mexico correctional facilities for blood tests which establish a DNA Identification System in the state.

105600 Evidence Fund - The Evidence Fund is used to account for monies confiscated during the normal course of police operations. Disposition of evidence is by Court order. Property awarded to the State is sold at auction and funds are deposited in the Evidence Fund and appropriated through the Legislature within the Department's operating fund. No value is assigned to evidence until it is sold. Some evidence is destroyed after it is no longer needed as evidence.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

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

78700 Governmental Gross Receipts Tax Fund - The Governmental Gross Receipts Tax Fund is used to account for taxes collected on the sale of tangible personal property from facilities open to the general public. The monies are held for and are payable to the State of New Mexico Taxation and Revenue Department.

D. Basis of Accounting

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

The government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. The Department has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. The governmental funds in the fund financial statement are presented on a modified accrual basis. Under the accrual method of accounting, revenues are recognized when earned and expenditures are recognized when incurred.

All governmental funds utilize the modified accrual basis of accounting. Under this method, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the current fiscal period; available meaning collectible within the current period or soon enough thereafter, 60 days, to be used to pay liabilities of the current period.

Revenues are recognized as follows:

- 1) State general fund appropriations, which must be used in a specified manner, are recognized when authorized, all eligibility requirements have been met, and the resources are available. Certain special appropriations require project approval from the Department of Information Technology. The Department considers this part of the eligibility requirements and does not recognize the revenue until the approval is obtained.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

D. Basis of Accounting (Continued)

- 2) Federal and other grants revenues are recognized when the applicable eligibility criteria, including time requirements, are met and the resources are available. Resources received for which applicable eligibility criteria have not been met are reflected as deferred revenues in the accompanying financial statements.
- 3) Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other state and local agencies are recorded, as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

Expenditures are recorded as liabilities when incurred. An exception to this general rule is that accumulated unpaid annual, compensatory and certain sick leave are not accrued as current liabilities but as non-current liabilities. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

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

E. Budgets and Budgetary Accounting

The State Legislature makes annual appropriations to the Department which lapse at fiscal year-end. Legal compliance is monitored through the establishment of a budget (modified cash-basis) and a financial control system which permits a budget-to-actual expenditure comparison. Expenditures may not legally exceed appropriations for each budget at the appropriation unit level.

Budgeted appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration within the limitations as specified in the General Appropriations Act. The budget amounts shown in the financial statements are the final authorized amounts as legally revised during the year.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

E. Budgets and Budgetary Accounting (Continued)

The General Appropriation Act of 2004 established 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 as the budgetary basis of accounting for the State of New Mexico the change in policy resulted in the recognition of budgetary control from a fiscal year to an appropriation period. Under the budgetary basis, prior year encumbrances allowed for money to be expended in one fiscal year, while charging the expenditure to another year's budget. Under the new policy, as long as the appropriation period has not lapsed, and a budget has been approved by the Department of Finance and Administration, an encumbrance can be charged against that budget. However, when the appropriation period has lapsed, so does the authority for the budget.

The General Fund, Special Revenues Funds and the Capital Projects Fund's budgetary legal authorization to incur obligations is on a basis that differs from the basis of accounting required by generally accepted accounting principles (GAAP). The budget is prepared on a modified accrual basis and may include encumbrances for multiple year appropriations in fund expenditures (commitments for the expenditure of monies relating to unperformed contracts of orders for goods and services). GAAP includes accrued expenditures but does not include encumbrances in fund expenditures.

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

1. No later than September 1, the Department submits to the Legislative Finance Committee (LFC) and the Budget Division of 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 outcome of those hearings are incorporated into the state's 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, at which time the approved budget becomes a legally binding document.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

E. Budgets and Budgetary Accounting (Continued)

4. No later than May 1, the Department submits to DFA an annual operating budget by appropriation unit and object code based upon the appropriation made by the Legislature. The DFA Budget Division reviews and approves the operating budget which becomes effective on July 1. All subsequent budgetary adjustments must be approved by the Director of the DFA Budget Division and by LFC.
5. Per the General Appropriation Act, Laws of 2008, Chapter 3, Section 3, Item O, "For the purpose of administering the General Appropriation Act of 2008 and approving operating budgets, 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." The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable that do not get paid timely must be paid out of the next year's budget. The Department has not included such reconciliation for fiscal year 2009 as all payables were paid by the statutory deadline. Encumbrances related to single year appropriations lapse at year end. Appropriation periods are sometimes for periods in excess of twelve months (multiple-year appropriations). When multiple-year appropriation periods lapse, the authority for the budget also lapses and encumbrances can no longer be charged to that budget.

F. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the government funds. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances lapse at year end unless they relate to a multi-year appropriation.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

G. Cash

Cash is deposited by the Department into its accounts with the State Treasurer, which are pooled and invested by the State Treasurer, and various financial institutions. The Department considers cash on hand, cash in banks, and the Interest in State Treasurer General Fund Investment Pool to be cash and cash equivalents. Negative cash, if any, is shown as Due to State Treasurer's Office.

H. Federal Grants Receivable (Deferred Revenue)

Various reimbursement procedures are used for federal awards received by the Department. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable 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 will be reversed or 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.

Certain federal program funds are passed through the Department to subgrantee organizations.

I. Inventories

Inventories consist of supplies on hand valued at cost on a first-in, first-out basis. Such inventory consists of generic supplies and materials held for consumption and is expended when purchased. Under the purchase method, the purchases of inventory are recorded as expenditures and at year-end the balance of inventories is recorded with an offsetting reserve of fund balance in the Governmental Fund Statements.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

J. Capital Assets

Capital assets purchased or acquired at a value of \$5,000 or greater are capitalized. In some cases, assets acquired at a value of \$5,000 or less are capitalized. Assts are carried at historical costs or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed when incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful life with no salvage value.

	Years
Furniture and fixtures	10
Equipment and machinery	5
Automobiles	4
Aircraft	10
Buildings and structures	20
Data processing equipment	3
Livestock and Poultry	2

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

K. Accrued Compensated Absences - Annual Leave

N.M. State Police officers accumulate annual leave as follows:

Years of Service	Hours Earned Per Pay Period	Days Earned Per Year	Days of Maximum Accrual
1-10	4.61	15	30
11-15	5.54	18	30
16-20	6.46	21	30
20 th /Beyond	7.38	24	30

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

K. Accrued Compensated Absences - Annual Leave (Continued)

Classified service employees accumulate annual leave as follows:

Years of Service	Hours Earned Per Month	Days Earned Per Year	Days of Maximum Accrual
1-3	3.08	10	30
4-7	3.69	12	30
8-11	4.61	15	30
12-15	5.54	18	30
15 th /Beyond	6.15	20	30

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

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

L. Reservations and Designations

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

Reserved for Petty Cash and Change Funds. This reserve was created for imprest petty cash funds and change funds.

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

L. Reservations and Designations (Continued)

Reserved for Inventories. This reserve was created to represent the portion of fund balance that is not available for expenditures because the Department expects to use the resources within the next budgetary period.

Reserved for Postage. This reserve was created for prepaid postage on hand at year end. At year end, postage remaining in the meter is recorded as a prepaid asset with an offsetting reserve of fund balance in the Governmental Fund Statement.

Reserved for Multi-Year Appropriations. This reserve was created for multi-year appropriations for which the Department has received funds for projects which extend into future years.

M. Net Assets

The government-wide and business types fund financial statements utilize a net asset presentation. Net assets are categorized as investment in fixed assets (net of related debt), restricted and unrestricted.

Investment in Capital Assts (net of related debt) - is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

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

Unrestricted Assets - represent unrestricted liquid assets.

The Department allocates expenses to restricted or unrestricted resources based on the budgeted source of funds. It is the Department's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

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

N. 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.

NOTE 3. CASH

Investment in the State Treasurer General Fund Investment Pool. All funds allotted to the Department are held by the New Mexico State Treasurer. The Department can withdraw its funds from the State Treasurer as needed and therefore considers them to be cash equivalents. All earnings on deposits are retained by the State General Fund; therefore, from the Department's perspective, the cash balances are non-interest bearing and stated at cost. Money deposited by the Department with the State Treasurer is pooled and invested by the State Treasurer. The State Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$100,000 in insurance coverage provided by federal agencies. Accordingly, the State Treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50% to 102% of the par value of the investment dependent upon the institutions operating results and capital. Collateral for the fiscal account is required in amounts equal to 50% of the average investment balance. To obtain pledged collateral, investment risk, and insurance coverage information for the Department's State Treasurer deposits, a copy of separately issued financial statements can be obtained from the State Treasurer's Office. All collateral is held in third-party safekeeping. A supplemental schedule of cash that the Department held as of June 30, 2009 is presented in the financial statements as supplemental information.

Cash Held for Others-Evidence Funds. In the course of discharging its duty of enforcing the Controlled Substance Act, the Department confiscates cash and assets. These assets are held by the Department pending court action. The Evidence Fund reflects confiscated cash balances at June 30, 2009. In addition, the Department confiscates other personal property for which it stands in an agency capacity until such time as the courts direct disposition of the property. The other personal property is not recorded on the Department's books, nor is it included in these financial statements, as the fair market value is not readily estimable.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 3. CASH (CONTINUED)

Cash With Undercover Agents. As part of its general appropriation, the Department is allotted State General Fund and Controlled Substance monies to be used by criminal and narcotic agents to purchase evidence in the field. Cash was held by agents in the field and held in banks as indicated above. These funds may subsequently be returned to the Department or reverted to the State General Fund in the future.

Pledged Collateral by Banks. All funds on deposit with banking institutions were fully covered by FDIC insurance at June 30, 2009.

NOTE 4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables are as follows:

	Due From (Receivable)	Due To (Payable)
General Fund (12800)	\$ 25,000	1,606
Concealed Handgun Carry (59400)	1,606	-
Advanced Training (78600)	-	25,000
Total	<u>\$ 26,606</u>	<u>26,606</u>

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

The composition of interfund transfers are as follows:

	Transfers In	Transfers Out
General Fund (12800)	\$ 2,226,402	-
State Chemist Fee (27200)	-	111,895
State Forfeitures (34200)	-	41,064
Federal Forfeitures (34300)	-	1,444,389
Concealed Handgun (59400)	-	346,653
Orphan Material Recovery (67000)	-	20,193
Advanced Training (78600)	-	262,207
Total	<u>\$ 2,226,402</u>	<u>2,226,402</u>

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

**NOTE 4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS
(CONTINUED)**

To capture expenditures at the program level, expenditures are budgeted and processed in the General fund. Interagency transfers are subsequently made to recognize the outlay in the proper fund.

NOTE 5. DUE TO AND DUE FROM AND TRANSFERS – OTHER AGENCIES

	Due From	Due To
General Fund (12800)		
Department of Finance & Administration (341)	\$ -	22,556
Department of Health (665)	147,578	67,170
Department of Information Technology (361)	10	-
Children, Youth and Families Department (690)	62,526	-
Racing Commission (469)	2,603	-
Taxation and Revenue Department (333)	2,387	-
Public Education Department (924)	26,329	-
New Mexico State Fair (460)	9,139	-
Medical Board (446)	11,252	-
Gaming Control Board (465)	9,346	-
New Mexico Highlands University (956)	1,900	-
Office of the State Auditor (308)	10	-
State Agency on Aging (624)	260	-
Department of Transportation (805)	180,311	40,272
Total General Fund	<u>453,651</u>	<u>129,998</u>
Federal Forfeitures Fund (34300)		
State Treasurer (394)	<u>649</u>	-
Peace Officers' Survivors Fund (34600)		
Department of Homeland Security (795)	<u>50</u>	-
State Chemist Fees (27200)		
Administrative Office of the Courts (218)	<u>29,023</u>	-

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2008**

**NOTE 5. DUE TO AND DUE FROM AND TRANSFERS – OTHER AGENCIES
(CONTINUED)**

	Due From	Due To
Advanced Training Fund (78600)		
1 st Judicial District Attorney (251)	\$ 20	-
3 rd District Attorney (253)	10	-
8 th Judicial District Attorney (258)	10	-
General Services Dept. (350)	545	-
Department of Information Technology (361)	70	-
EMNRD/NM Parks and Recreation (521)	1,360	-
NM Corrections Dept. (770)	3,095	-
Insurance Fraud Bureau (PRC) (430)	165	-
Metropolitan Court	10	-
Department of Game and Fish (516)	5,735	-
NM Gaming Control Board/ISD (465)	90	-
NM Racing Commission (469)	110	-
Santa Fe Regional Comm.	10	-
NM Department of Health/PHD (665)	60	-
Total other Non-Major Funds	<u>11,290</u>	-
Total	<u>\$ 494,663</u>	<u>129,998</u>

These transfers and related due to/from are for the purpose of transferring fees collected by one agency and used by another and for expenditures made by one agency and reimbursed by the other.

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 5. DUE TO AND DUE FROM AND TRANSFERS – OTHER AGENCIES (CONTINUED)

	State General Fund 853	DFA 341	Department of Transportation 805	Department of Homeland Security 795	Department of Public Safety 12800	Department of Public Safety 78600
NM DPS General Fund – 12800 (General Fund Appropriation)	\$ 96,360,200					
NM DPS General Fund – 12800 (Albuquerque Police Athletic League)	20,000					
NM DPS General Fund – 12800 (Drunk Busters Program)	68,000					
NM DPS General Fund – 12800 (NM State Police Youth Academy)	10,000					
NM DPS General Fund – 12800 (Stress Mgmt for Public Safety First Responders)	65,000					
NM DPS General Fund – 12800 (Repay City of Hobbs)	110,000					
NM DPS Capital Projects Fund – 09000 (Spring Recruit Class)	<u>500,000</u>					
Total State General Fund Appropriations	\$ <u>97,133,200</u>					

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 5. DUE TO AND DUE FROM AND TRANSFERS – OTHER AGENCIES (CONTINUED)

	State General Fund 853 General Fund Appropriation	DFA 341	Department of Transportation 805	Department of Homeland Security 795	Department of Public Safety 12800	Department of Public Safety 78600
NM DPS General Fund – 12800 (Road Fund Allotment)	\$ 6,914,000					
Total State Road Fund Appropriations	<u>\$ 6,914,000</u>					
Department of Finance – 341 (State General Fund Reversion)					\$ (271,619)	(24,704)
Total Reversions						<u>\$ (296,323)</u>
NM DPS General Fund – 12800 (Compensation Package)	\$ 1,341,600					
NM DPS General Fund – 12800 (NMLETS)		15,000				
NM DPS Capital Projects Fund - 09000 (Capital Project Lordsburg/Anthony Radio)				600,000		
NM DPS Peace Officers' Survivor Fund – 34600 (Survivors of Officers Killed in Line of Duty)		<u>731,299</u>				
Total Interagency Transfers In						<u>\$ 2,687,899</u>

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 6. CAPITAL ASSETS

The capital assets activity for the year ended June 30, 2009, is as follows:

	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009
Capital assets not being depreciated				
Land	\$ 14,394	-	-	<u>14,394</u>
Other capital assets				
Furniture and fixtures	322,050	-	(145,835)	176,215
Equipment and machinery	20,755,384	916,746	(10,115,600)	11,556,530
Automobile	27,735,327	2,438,992	(8,202,123)	21,972,196
Aircraft	5,787,886	-	-	5,787,886
Buildings and structures	3,067,479	34,348	(1,495,559)	1,606,268
Data processing equipment	12,035,292	896,299	(6,883,552)	6,048,039
Livestock and poultry	66,943	-	(17,710)	49,233
Total other capital assets	<u>69,770,361</u>	<u>4,286,385</u>	<u>(26,860,379)</u>	<u>47,196,367</u>
Accumulated depreciation for				
Furniture and fixtures	186,108	23,256	(104,955)	104,409
Equipment and machinery	18,553,312	811,916	(9,628,472)	9,736,756
Automobile	19,596,259	3,662,790	(7,738,664)	15,520,385
Aircraft	2,171,965	564,297	-	2,736,262
Buildings and structures	828,176	173,026	(631,470)	369,732
Data processing equipment	10,913,587	806,835	(6,767,984)	4,952,438
Livestock and poultry	55,932	6,313	(17,710)	44,535
Total accumulated depreciation	<u>52,305,339</u>	<u>6,048,433</u>	<u>(24,889,255)</u>	<u>33,464,517</u>
Other capital assets, net	<u>\$ 17,465,022</u>	<u>(1,762,048)</u>	<u>(1,971,124)</u>	<u>13,731,850</u>
Capital assets summary				
Capital assets not being depreciated	\$ 14,394	-	-	14,394
Other capital assets, at cost	<u>69,770,361</u>	<u>4,286,385</u>	<u>(26,860,379)</u>	<u>47,196,367</u>
Total cost of capital assets	<u>69,784,755</u>	<u>4,286,385</u>	<u>(26,860,379)</u>	<u>47,210,761</u>
Accumulated depreciation	<u>(52,305,339)</u>	<u>(6,048,433)</u>	<u>24,889,255</u>	<u>(33,464,517)</u>
Capital assets, net	<u>\$ 17,479,416</u>	<u>(1,762,048)</u>	<u>(1,971,124)</u>	<u>13,746,244</u>

The Department does not have any debt related to capital assets at June 30, 2009. Depreciation expense for the Department amounted to \$6,048,433 and is considered a law enforcement expense.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 7. ACCRUED SALARIES PAYABLE

Accrued salaries payable at June 30, 2009 amounted to \$3,908,113. Of this amount, salaries payable at June 30, 2009 amounted to \$2,333,254. This amount represents 100% of the total payroll of \$1,875,256 paid on July 3, 2009 for the pay period ended June 26, 2009 and \$457,999 paid on July 17, 2009 for June 27 through June 30, 2009 which was for the last four days of fiscal year of 2009.

NOTE 8. DUE TO STATE GENERAL FUND (REVERSIONS)

Unexpended and unencumbered cash balances of certain accounts revert to the State General Fund at year-end. The amounts due to the State General Fund for reversions are:

			FY 2007	FY 2008	FY 2009	Total
General Fund						
General Operating	12800	\$	708,701	999,755	262,619	1,971,075
Road Fund	12800	\$	13,491	-	-	13,491
Special Revenue Fund						
Advanced training	78600		55,168	115,708	24,704	195,580
			<u>\$ 777,360</u>	<u>1,115,463</u>	<u>287,323</u>	<u>2,180,146</u>

Current year reversions are calculated only for reverting accounts. Expenditures are classified based on the underlying appropriation in calculating the amount to revert.

NOTE 9. COMPENSATED ABSENCES PAYABLE

Employees are entitled to accumulate annual leave at a graduated rate based on years of service. A maximum of 240 hours can be carried forward at calendar year-end. The Department has recognized a liability in the Statement of Net Assets for annual leave based on current pay rates and hours accumulated at June 30, 2009. In previous years the General Fund typically was used to liquidate compensated absences.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 9. COMPENSATED ABSENCES PAYABLE (CONTINUED)

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

	Balance June 30, 2008	Increase	(Decrease)	Balance June 30, 2009
Compensated Absences Payable				
Due within one year	\$ 2,397,905	2,363,405	2,461,892	2,299,418
Due after one year	<u>2,303,869</u>	<u>2,270,723</u>	<u>2,365,351</u>	<u>2,209,241</u>
Totals	<u>\$ 4,701,774</u>	<u>4,634,128</u>	<u>4,827,243</u>	<u>4,508,659</u>

NOTE 10. LEASE COMMITMENTS

Future minimum annual lease payments under operating lease agreements for facilities and equipment are as follows:

Year Ended June 30	Facilities
2010	\$ 555,488
2011	551,207
2012	435,063
2013	283,092
2014	137,254
Thereafter	<u>423,987</u>
Total	<u>\$ 2,386,091</u>

During the year ended June 30, 2009, facilities and equipment rent expense were approximately \$1,032,784. The Department is party to a number of equipment leases; however, all can be cancelled with 30 days notice, and therefore no long-term lease commitments exist which require disclosure on these leases.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 11. CONTINGENT LIABILITIES AND JUDGMENTS

The Department currently has several matters pending with either the New Mexico Human Rights Commission and/or the Federal Equal Opportunity Commission which have been filed by former and current employees. These matters include grievances alleging sexual discrimination, racial discrimination and retaliation. If these matters are ultimately litigated in court, the potential loss to the Department could be substantial should an unfavorable judgment be entered. The Department vigorously denies these claims. Management and legal counsel for the Department are unable to predict the ultimate outcome of these cases and no provision for any liability that may result has been made in the financial statements.

The Department is also involved in numerous other lawsuits for which, in most instances, insurance coverage exists through the Risk Management Division of the State of New Mexico General Services Department. Legal counsel for the Department feels that unfavorable outcomes on these cases are remote.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Department expects such amounts, if any, to be immaterial.

Plan Description. Substantially all of the Department'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.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

**NOTE 12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION (CONTINUED)**

Funding Policy. Plan members are required to contribute 7.42% of gross salary for regular employees, or 7.60% of gross salary for State Police commissioned officers. The Department is required to contribute 16.59% of the gross covered salary for regular employees, or 25.10% of gross covered salary for State Police commissioned officers. The contribution requirements of plan members and the Department are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to PERA for the fiscal years ending June 30, 2009, 2008, and 2007 were \$11,032,125, \$10,534,454, and \$10,527,358, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH
CARE PLAN**

Plan Description. The Department contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and 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 healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

**NOTE 13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH
CARE PLAN (CONTINUED)**

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The Department's employer and employee contributions to the RHCA for the years ended June 30, 2009, 2008, and 2007 were the following: \$660,802 and \$330,401, \$634,349 and \$317,175, \$649,461 and \$324,731, respectively, which equal the required contributions for each year.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 14. INSURANCE COVERAGE

The Department obtains coverage through Risk Management Division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance and state unemployment. These coverages are designed to satisfy the requirements of the State Tort Claims Act. All employees of the Department are covered by blanket fidelity bond up to \$5,000,000 with a \$1,000 deductible per occurrence by the State of New Mexico for the period July 1, 2008, through June 30, 2009.

NOTE 15. SPECIAL APPROPRIATIONS

Special, Deficiency, and Specific appropriations during the year consisted of the following:

	Original Appropriation Balance	Purpose	Period	Cumulative Expenditures 6/30/09	Outstanding Encumbrances 6/30/09	Amount to be Reverted	Unencumbered Appropriations
Fund 12800- One-year General Fund Appropriations							
	\$ 20,000	ABQ Police Athletic League	July 2008 to June 2009	\$ 20,000	-	-	-
	68,000	Drunk Busters Dispatchers	July 2008 to June 2009	38,792	-	29,208	-
	10,000	NMSP Youth Academy	July 2008 to June 2009	700	-	9,300	-
	65,000	Stress Reduction Training	July 2008 to June 2009	60,880	-	4,120	-
	<u>800,000</u>	Spring Recruit Class	March 2009 to June 2009	<u>626,658</u>	<u>-</u>	<u>173,342</u>	<u>-</u>
	963,000			747,030	-	215,970	-

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 15. SPECIAL APPROPRIATIONS (CONTINUED)

	Original Appropriation Balance	Purpose	Period	Cumulative Expenditures 6/30/09	Outstanding Encumbrances 6/30/09	Amount to be Reverted	Unencumbered Appropriations
Fund 12800- Multi-year General Fund Appropriations							
	\$ 2,900,000	Replace AFIS System	March 2005 to June 2010	\$2,886,232	-	-	13,768
	850,000	Rewire District Offices	March 2007 to June 2009	834,419	-	15,581	-
	3,000,000	Replace NMLETS System	March 2007 to June 2010	159,750	-	-	2,840,250
	1,400,000	Replace Patrol Vehicles	February 2008 to June 2009	1,395,732	-	4,268	-
	<u>110,000</u>	Repay City of Hobbs	March 2009 to June 2010	<u>110,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	8,260,000			5,386,133	-	19,849	2,854,018

NOTE 16. RISK MANAGEMENT

The Department, as a state agency defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the state of New Mexico. The Department pays annual premiums to the Risk Management Division for coverage provided in the following areas:

1. Liability and civil rights protection for claims made by others against the state of New Mexico.
2. Coverage to protect the state of New Mexico's property and assets.
3. Fringe benefit coverage's for state of New Mexico employees.

During the 2007-2008 fiscal year, the Department paid Risk Management \$4,754,340 in insurance premiums. In the fiscal year 2008-2009, the Department paid Risk Management \$6,944,898. The Department's exposure is limited to \$1,000 per any first-party incurred property loss, with the exception of theft, which has a \$5,000 deductible.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009**

NOTE 16. RISK MANAGEMENT (CONTINUED)

After conferring with legal counsel concerning pending litigation and claims, the Department believes that the outcome of pending litigation should not have a materially adverse effect on the financial position or operations of the Department. In addition, for the years ended June 30, 2007, 2008 and 2009, the Department had no claims for which the Risk Management Division has returned as “not covered” that would become the responsibility of the Department.

**NOTE 17. CUMULATIVE EFFECT OF THE CHANGE IN
FUND TYPE**

In fiscal year 2009, the Department and the NM Department of Finance and Administration determined that the activity and balances for the Peace Officers’ Survival Fund previously reported as an agency fund should be presented as a special revenue fund. The Department changed the fund type from an agency fund to a special revenue fund as they believe that this change was more preferable than the previous reporting as this reporting provides better accounting and transparency over the activities that occur in the fund. Prior to the change, these funds were recorded in the agency funds as cash received with an offsetting liability, assets held for others. This change results in recognizing appropriations as revenues in the special revenue fund and when disbursing the death benefits, as an expenditure out of the special revenue fund to the survivors. As a result of the change in accounting principle, the total cumulative effect was to governmental funds’ fund balance established at June 30, 2008 in the amount of \$116,609.

NOTE 18. NEGATIVE FUND BALANCE

The Department has negative fund balance in the General Fund of \$481,960 and will use future revenue to offset the negative fund balance.

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
BALANCE SHEET - ALL ACCOUNTS
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND
June 30, 2009

	General Fund		Total
	General Fund Account	Local Law Enforcement Account	
ASSETS			
Interest in State Treasurer General Fund Investment Pool	\$ 4,491,977	-	4,491,977
Cash in banks	97,568	-	97,568
Cash on hand	14,151	-	14,151
Federal grants receivable	4,230,724	-	4,230,724
Trade Receivables	93,670	-	93,670
Due from other funds	25,000	-	25,000
Due from other agencies	453,651	-	453,651
Due from local government	-	-	-
Supplies inventory	12,109	-	12,109
Prepaid postage	4,268	-	4,268
Total assets	\$ 9,423,118	-	9,423,118
LIABILITIES			
Accounts payable	3,869,128	-	3,869,128
Accrued salaries payable	3,908,113	-	3,908,113
Deferred revenue	-	-	-
Due to other federal agencies	11,667	-	11,667
Due to other agencies	129,998	-	129,998
Due to the State General Fund	1,984,566	-	1,984,566
Due to other funds	1,606	-	1,606
Total liabilities	9,905,078	-	9,905,078
FUND BALANCE			
Reserved			
Reserved for petty cash and change funds	14,151	-	14,151
Reserved for inventories	12,109	-	12,109
Reserved for postage	4,268	-	4,268
Reserved for undercover operations	-	-	-
Reserved for special appropriations	69,018	-	69,018
Reserved for encumbrances - special appropriations	-	-	-
Unreserved, undesignated	(581,506)	-	(581,506)
Total fund balance	(481,960)	-	(481,960)
Total liabilities and fund balance	\$ 9,423,118	-	9,423,118

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL ACCOUNTS
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND
Year Ended June 30, 2009

	General Fund		Total
	General Fund Account	Local Law Enforcement Account	
Revenues			
Federal grants	\$ 9,601,368	-	9,601,368
State grants	407,754	-	407,754
Other fees	2,737,819	-	2,737,819
Other intra-state services	-	-	-
Proceeds from sale of property	351,963	-	351,963
Pass-through from other state agencies	-	-	-
Total revenues	13,098,904	-	13,098,904
Expenditures			
Public safety			
Current			
Personal services and employee benefits	89,188,245	-	89,188,245
Contractual services	4,379,343	-	4,379,343
Other costs	25,259,622	-	25,259,622
Capital outlay	3,521,953	-	3,521,953
Total expenditures	122,349,163	-	122,349,163
Excess (deficiency) of revenues over expenditures	(109,250,259)	-	(109,250,259)
Other financing sources (uses)			
State General Fund appropriations	97,133,200	-	97,133,200
State Road Fund appropriations	6,914,000	-	6,914,000
Reversions to State General Fund	(271,619)	-	(271,619)
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Interagency Transfer In	1,356,600	-	1,356,600
Interfund Transfer In	2,226,402	-	2,226,402
Interagency Transfers Out	-	-	-
Total other financing sources (uses)	107,358,583	-	107,358,583
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(1,891,676)	-	(1,891,676)
Fund balance, beginning	1,409,716	-	1,409,716
Fund balance, ending	\$ (481,960)	-	(481,960)

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
GENERAL FUND ACCOUNTS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
PUBLIC SAFETY PROGRAM SUPPORT - FUND 128, P503
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 16,259,800	15,945,100	15,945,100	-
Federal funds	5,834,500	5,834,500	1,971,789	(3,862,711)
Other state funds	1,296,200	1,296,200	1,768,927	472,727
Other financing sources	559,800	624,488	340,296	(284,192)
Reversion to State General Fund			(122,703)	(122,703)
Total revenues	<u>23,950,300</u>	<u>23,700,288</u>	<u>19,903,409</u>	<u>(3,796,879)</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 47,900,600</u>	<u>47,400,576</u>		
Expenditures				
Personal services & benefits	\$ 13,313,800	12,988,800	12,410,371	578,429
Contract services	885,000	709,000	408,205	300,795
Other	9,751,500	10,002,488	7,217,634	2,784,854
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 23,950,300</u>	<u>23,700,288</u>	<u>20,036,210</u>	<u>3,664,078</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (132,801)</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
GENERAL FUND ACCOUNTS
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
LAW ENFORCEMENT PROGRAM - FUND 128, P504
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 82,000,900	80,415,100	80,415,100	-
Other appropriations	6,949,900	6,949,900	6,914,000	(35,900)
Federal funds	15,121,800	17,204,015	7,629,579	(9,574,436)
Other state funds	3,917,800	4,406,800	1,728,609	(2,678,191)
Other financing sources	2,069,000	2,080,200	2,927,706	847,506
Reversions to State General Fund	-	-	(139,916)	(139,916)
Total revenues			<u>\$ 99,475,078</u>	<u>(11,580,937)</u>
Prior year cash budgeted	<u>-</u>	<u>-</u>		
Total budgeted revenues	<u>\$ 110,059,400</u>	<u>111,056,015</u>		
Expenditures				
Personal services & benefits	\$ 82,941,200	82,426,650	76,148,338	6,278,312
Contract services	2,792,400	3,135,665	1,539,982	1,595,683
Other	24,315,800	25,483,700	21,280,993	4,202,707
Other financing uses	10,000	10,000	-	10,000
Total budgeted expenditures	<u>\$ 110,059,400</u>	<u>111,056,015</u>	<u>98,969,314</u>	<u>12,086,701</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 505,764</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND - FUND 128 Z80190
SPECIAL ONE-YEAR APPROPRIATION - REWIRE NMSP DISTRICT
OFFICES REAUTHORIZATION
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	-	-	-
Other appropriation - Road Fund	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions to State	-	-	-	-
Total revenues			<u>\$ -</u>	<u>-</u>
Prior year cash budgeted	<u>270,760</u>	<u>270,760</u>		
Total budgeted revenues	<u>\$ 270,760</u>	<u>\$ 270,760</u>		
Expenditures				
Personal services and benefits	\$ -	-	-	-
Contractual services	150,000	150,000	142,912	7,088
Other	120,760	120,760	112,267	8,493
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 270,760</u>	<u>270,760</u>	<u>255,179</u>	<u>15,581</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (255,179)</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND - FUND 128 Z81292
SPECIAL ONE-YEAR APPROPRIATION - ALBUQUERQUE METROPOLITAN PAL
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 20,000	20,000	20,000	-
Other appropriation - Road Fund	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Total revenues			<u>\$ 20,000</u>	<u>-</u>
Prior year cash budgeted	<u>-</u>	<u>-</u>		
Total budgeted revenues	<u>\$ 20,000</u>	<u>\$ 20,000</u>		
Expenditures				
Personal services and benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other	20,000	20,000	20,000	-
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND - FUND 128 Z81293
SPECIAL ONE-YEAR APPROPRIATION - DRUNKBUSTER DISPATCHERS
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 68,000	64,400	68,000	3,600
Other appropriation - Road Fund	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions to State	-	-	(3,600)	(3,600)
Total revenues			<u>64,400</u>	<u>-</u>
Prior year cash budgeted	<u>-</u>	<u>-</u>		
Total budgeted revenues	<u>\$ 68,000</u>	<u>\$ 64,400</u>		
Expenditures				
Personal services and benefits	\$ 67,500	64,400	35,192	29,208
Contractual services	300	-	-	-
Other	200	-	-	-
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 68,000</u>	<u>64,400</u>	<u>35,192</u>	<u>29,208</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 29,208</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND - FUND 128 Z81294
SPECIAL ONE-YEAR APPROPRIATION -NMSP YOUTH ACADEMY
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 10,000	9,300	10,000	700
Other appropriation - Road Fund	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	(700)	(700)
Total revenues	-	-	<u>\$ 9,300</u>	-
Prior year cash budgeted	<u>-</u>	<u>-</u>		
Total budgeted revenues	<u>\$ 10,000</u>	<u>\$ 9,300</u>		
Expenditures				
Personal services and benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other	10,000	9,300	-	9,300
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 10,000</u>	<u>9,300</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 9,300</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND - FUND 128 Z81295
SPECIAL ONE-YEAR APPROPRIATION - STRESS REDUCTION TRAINING
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 65,000	60,300	65,000	4,700
Other appropriation - Road Fund	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	(4,700)	(4,700)
Total revenues	-	-	<u>\$ 60,300</u>	<u>-</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 65,000</u>	<u>60,300</u>		
Expenditures				
Personal services and benefits	\$ -	-	-	-
Contractual services	-	39,700	39,631	69
Other	65,000	20,600	16,549	4,051
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 65,000</u>	<u>60,300</u>	<u>56,180</u>	<u>4,120</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 4,120</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND - FUND 128 Z90624
SPECIAL ONE-YEAR APPROPRIATION - SPRING RECRUIT SCHOOL
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 500,000	500,000	500,000	-
Other appropriation - Road Fund	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	300,000	300,000	300,000	-
Reversions to State	-	-	-	-
Total revenues	-	-	<u>\$ 800,000</u>	-
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 800,000</u>	<u>800,000</u>		
Expenditures				
Personal services and benefits	\$ 600,000	600,000	594,344	5,656
Contractual services	66,500	66,500	8,182	58,318
Other	133,500	133,500	24,131	109,369
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 800,000</u>	<u>800,000</u>	<u>626,658</u>	<u>173,342</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 173,342</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND - FUND 128 Z070730
SPECIAL MULTI-YEAR APPROPRIATION - REPLACE NMLETS REAUTHORIZATION
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	-	-	-
Other appropriation - Road Fund	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	15,000	15,000	15,000	-
Total revenues	-	-	<u>\$ 15,000</u>	-
Prior year cash budgeted	<u>129,210</u>	<u>129,210</u>		
Total budgeted revenues	<u>\$ 144,210</u>	<u>144,210</u>		
Expenditures				
Personal services and benefits	\$ -	-	-	-
Contractual services	144,210	144,210	88,960	55,250
Other	-	-	-	-
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 144,210</u>	<u>144,210</u>	<u>88,960</u>	<u>55,250</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (73,960)</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND - FUND 128 Z80191
SPECIAL MULTI-YEAR APPROPRIATION - REPLACE VEHICLES
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	-	-	-
Other appropriation - Road Fund	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Total revenues	-	-	<u>\$ -</u>	-
Prior year cash budgeted	<u>4,268</u>	<u>4,268</u>		
Total budgeted revenues	<u>\$ 4,268</u>	<u>4,268</u>		
Expenditures				
Personal services and benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other	4,268	4,268	-	4,268
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 4,268</u>	<u>4,268</u>	<u>-</u>	<u>4,268</u>
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND - FUND 128 Z80732
SPECIAL MULTI-YEAR APPROPRIATION - IMPLEMENT AFIS REAUTHORIZATION
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	-	-	-
Other appropriation - Road Fund	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Total revenues	-	-	<u>\$ -</u>	-
Prior year cash budgeted	<u>2,165,238</u>	<u>2,165,238</u>		
Total budgeted revenues	<u>\$ 2,165,238</u>	<u>2,165,238</u>		
Expenditures				
Personal services and benefits	\$ -	-	-	-
Contractual services	2,165,238	2,165,238	2,151,470	13,768
Other	-	-	-	-
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 2,165,238</u>	<u>2,165,238</u>	<u>2,151,470</u>	<u>13,768</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (2,151,470)</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND - FUND 128 Z90154
SPECIAL MULTI-YEAR APPROPRIATION - REPAY CITY OF HOBBS
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 110,000	110,000	110,000	-
Other appropriation - Road Fund	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Total revenues	-	-	<u>\$ 110,000</u>	<u>-</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 110,000</u>	<u>110,000</u>		
Expenditures				
Personal services and benefits	\$ -	-	-	-
Contractual services	-	-	-	-
Other	110,000	110,000	110,000	-
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FUND 090 CAPITAL PROJECTS FUND
Year Ended June 30, 2009

	Original Basis	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other financing sources	\$ 600,000	600,000	600,000	-
Other state funds	-	-	<u>100,000</u>	<u>100,000</u>
Total revenues			<u>\$ 700,000</u>	<u>100,000</u>
Prior year cash budgeted	<u>924,223</u>	<u>924,223</u>		
Total budgeted revenues	<u>\$ 1,524,223</u>	<u>\$ 1,524,223</u>		
Expenditures				
Contractual services	\$ -	-	-	-
Other financing uses	507,500	507,500	7,500	500,000
Other	<u>1,016,723</u>	<u>1,016,723</u>	<u>871,942</u>	<u>144,781</u>
Total budgeted expenditures	<u>1,524,223</u>	<u>1,524,223</u>	<u>879,442</u>	<u>644,781</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (179,442)</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FUND 090 DPS VEHICLES
Year Ended June 30, 2009

	Original Basis	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$ -	-	-	-
Total revenues			<u>\$ -</u>	<u>-</u>
Prior year cash budgeted	<u>552</u>	<u>552</u>		
Total budgeted revenues	<u>\$ 552</u>	<u>552</u>		
Expenditures				
Other	\$ 552	552	-	552
Total budgeted expenditures	<u>552</u>	<u>552</u>	<u>-</u>	<u>552</u>
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FUND 090 LORDSBURG PORT OF ENTRY
Year Ended June 30, 2009

	Original Basis	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$ -	-	-	-
Total revenues			<u>\$ -</u>	<u>-</u>
Prior year cash budgeted	<u>318,328</u>	<u>318,328</u>		
Total budgeted revenues	<u>\$ 318,328</u>	<u>\$ 318,328</u>		
Expenditures				
Contractual services	\$ -	-	-	-
Other	310,828	310,828	166,948	143,880
Other financing uses	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Total budgeted expenditures	<u>318,328</u>	<u>318,328</u>	<u>174,448</u>	<u>143,880</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (174,448)</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FUND 090 DNA ID SYSTEM
Year Ended June 30, 2009

	Original Basis	Amended Budget	Actual	Variance Favorable (Unfavorable)
Other state funds-STB	\$ -	-	-	-
Total revenues			<u>\$ -</u>	<u>-</u>
Prior year cash budgeted	<u>100,000</u>	<u>100,000</u>		
Total budgeted revenues	<u>\$ 100,000</u>	<u>\$ 100,000</u>		
Expenditures				
Other	<u>\$ 100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total budgeted expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (100,000)</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FUND 090 DPS RADIO EMERGENCY NETWORK
Year Ended June 30, 2009

	Original Basis	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues			\$ -	-
Total revenues			<u>\$ -</u>	<u>-</u>
Prior year cash budgeted	\$ 500,000	500,000		
Total budgeted revenues	<u>\$ 500,000</u>	<u>500,000</u>		
Expenditures				
Other Financing Uses	\$ 500,000	500,000	-	500,000
Total budgeted expenditures	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

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STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FUND 090 NMSP SCUBA DIVING EQUIPMENT
Year Ended June 30, 2009

	Original Basis	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$ -	-	-	-
Total revenues			<u>\$ -</u>	<u>-</u>
Prior year cash budgeted	<u>3</u>	<u>3</u>		
Total budgeted revenues	<u>\$ 3</u>	<u>3</u>		
Expenditures				
Other	<u>\$ 3</u>	<u>3</u>	<u>-</u>	<u>3</u>
Total budgeted expenditures	<u>3</u>	<u>3</u>	<u>-</u>	<u>3</u>
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FUND 090 STATE POLICE AIRCRAFT REPLACEMENT
Year Ended June 30, 2009

	Original Basis	Amended Budget	Actual	Variance Favorable (Unfavorable)
General Fund Appropriation	\$ -	-	-	-
Total revenues			<u>\$ -</u>	<u>-</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ -</u>	<u>-</u>		
Expenditures				
Other	\$ -	-	-	-
Total budgeted expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FUND 090 NM STATE POLICE DEFIBRILLATOR
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
General Fund Appropriation	\$ -	-	-	-
Total revenues			<u>\$ -</u>	<u>-</u>
Prior year cash budgeted	<u>340</u>	<u>340</u>		
Total budgeted revenues	<u>\$ 340</u>	<u>340</u>		
Expenditures				
Other	<u>\$ 340</u>	<u>340</u>	<u>-</u>	<u>340</u>
Total budgeted expenditures	<u>340</u>	<u>340</u>	<u>-</u>	<u>340</u>
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FUND 090 EQUIP NMSP D-6 GARAGE
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
General Fund Appropriation	\$ -	-	-	-
Total revenues			<u>\$ -</u>	<u>-</u>
Prior year cash budgeted	<u>-</u>	<u>-</u>		
Total budgeted revenues	<u>\$ -</u>	<u>-</u>		
Expenditures				
Other	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total budgeted expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FUND 090 MTD RADIOACTIVE NUCLEAR EQUIPMENT
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources	\$ 600,000	600,000	<u>600,000</u>	-
Total revenues			<u>\$ 600,000</u>	-
Prior year cash budgeted	<u>-</u>	<u>-</u>		
Total budgeted revenues	<u>\$ 600,000</u>	<u>600,000</u>		
Expenditures				
Other	<u>\$ 600,000</u>	<u>600,000</u>	<u>600,000</u>	-
Total budgeted expenditures	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	-
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS)
FUND 090 NEW MEXICO MOUNTED PATROL
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
General Fund Appropriation	\$ -	-	-	-
Total revenues			<u>\$ -</u>	<u>-</u>
Prior year cash budgeted	<u>5,000</u>	<u>5,000</u>		
Total budgeted revenues	<u>\$ 5,000</u>	<u>5,000</u>		
Expenditures				
Other	<u>\$ 5,000</u>	<u>5,000</u>	<u>4,995</u>	<u>5</u>
Total budgeted expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,995</u>	<u>5</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (4,995)</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2009

	Special Revenue Funds		
	State Chemist Fees	CSA Forfeitures	Orphan Material Recovery
ASSETS			
Interest in State Treasurer General Fund Investment Pool	\$ 1,153,859	223,440	5,029
Cash in banks	-	-	-
Cash on hand	-	-	-
Due from other funds	-	-	-
Due from other state agencies	29,023	-	-
Due from federal government	-	-	-
Due from local government less allowance for doubtful accounts of \$379,548	-	-	-
Total assets	\$ 1,182,882	223,440	5,029
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ -	-	-
Due to other funds	-	-	-
Due to state general fund	-	-	-
Total liabilities	-	-	-
Fund Balances			
Unreserved, undesignated, reported in Special Revenue Funds	1,182,882	223,440	5,029
Total fund balances	1,182,882	223,440	5,029
Total liabilities and fund balances	\$ 1,182,882	223,440	5,029

Special Revenue Funds						Total
Law Enforce. Advanced Training	Federal Forfeitures MTD	Crime Stoppers Rewards	Peace Officers' Fund	Concealed Handgun Carry	Special Donations	Non-Major Governmental Funds
\$ 193,675	-	23,553	350,047	889,924	121,635	2,961,162
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,606	-	1,606
11,290	-	-	50	-	-	40,363
-	-	-	-	-	-	-
15,790	-	-	-	-	-	15,790
<u>\$ 220,755</u>	<u>-</u>	<u>23,553</u>	<u>350,097</u>	<u>891,530</u>	<u>121,635</u>	<u>3,018,921</u>
175	-	-	250,000	-	-	250,175
25,000	-	-	-	-	-	25,000
195,580	-	-	-	-	-	195,580
220,755	-	-	250,000	-	-	470,755
-	-	23,553	100,097	891,530	121,635	2,548,166
-	-	23,553	100,097	891,530	121,635	2,548,166
<u>\$ 220,755</u>	<u>-</u>	<u>23,553</u>	<u>350,097</u>	<u>891,530</u>	<u>121,635</u>	<u>3,018,921</u>

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
June 30, 2009

	Special Revenue Funds		
	State Chemist Fees	CSA Forfeitures	Orphan Material Recovery
Revenues			
Other state funds			
Fees	\$ 272,191	-	-
Admissions	-	-	-
Forfeitures	-	932	-
Other	-	-	-
Total revenues	<u>272,191</u>	<u>932</u>	<u>-</u>
Expenditures			
Public safety	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>272,191</u>	<u>932</u>	<u>-</u>
Other financing sources (uses)			
State General Fund appropriation	-	-	-
Reversion to state general fund	-	-	-
Other sources	-	-	-
Interfund Transfers Out	(111,895)	(41,064)	(20,193)
Total other financing sources (uses)	<u>(111,895)</u>	<u>(41,064)</u>	<u>(20,193)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>160,296</u>	<u>(40,132)</u>	<u>(20,193)</u>
Fund balance beginning	1,022,586	263,572	25,222
Cummulative effect - change in fund type	-	-	-
Fund balance beginning as restated	<u>1,022,586</u>	<u>263,572</u>	<u>25,222</u>
Fund balance, ending	<u>\$ 1,182,882</u>	<u>223,440</u>	<u>5,029</u>

	Special Revenue Funds					Total Non-Major Governmental Funds	
	Law Enforce. Advanced Training	Federal Forfeitures MTD	Crime Stoppers Rewards	Peace Officers' Fund	Concealed Handgun Carry		Special Donations
\$	-	-	-	-	367,180	-	639,371
	286,911	-	-	-	-	-	286,911
	-	-	-	-	-	-	932
	-	-	18	2,189	-	-	2,207
	286,911	-	18	2,189	367,180	-	929,421
	-	-	-	750,000	-	-	750,000
	-	-	-	750,000	-	-	750,000
	286,911	-	18	(747,811)	367,180	-	179,421
	-	-	-	-	-	-	-
	(24,704)	-	-	-	-	-	(24,704)
	-	-	-	731,299	-	-	731,299
	(262,207)	-	-	-	(346,653)	-	(782,012)
	(286,911)	-	-	731,299	(346,653)	-	(75,417)
	-	-	18	(16,512)	20,527	-	104,004
	-	-	23,535	-	871,003	121,635	2,327,553
	-	-	-	116,609	-	-	116,609
	-	-	23,535	116,609	871,003	121,635	2,444,162
\$	-	-	23,553	100,097	891,530	121,635	2,548,166

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
STATE CHEMIST FEES
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ 331,400	331,400	<u>272,191</u>	<u>(59,209)</u>
Total revenues			<u>\$ 272,191</u>	<u>(59,209)</u>
Prior year cash budgeted	<u>-</u>	<u>64,688</u>		
Total budgeted revenues	<u>\$ 331,400</u>	<u>396,088</u>		
Expenditures				
Other financing uses	<u>\$ 331,400</u>	<u>396,088</u>	<u>111,895</u>	<u>284,193</u>
Total budgeted expenditures	<u>331,400</u>	<u>396,088</u>	<u>111,895</u>	<u>284,193</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 160,296</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
CSA FORFEITURES
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ -	-	932	932
Total revenues			<u>\$ 932</u>	<u>932</u>
Prior year cash budgeted	<u>300,000</u>	<u>300,000</u>		
Total budgeted revenues	<u>\$ 300,000</u>	<u>300,000</u>		
Expenditures				
Other financing uses	\$ 300,000	300,000	41,064	258,936
Total budgeted expenditures	<u>\$ 300,000</u>	<u>300,000</u>	<u>41,064</u>	<u>258,936</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (40,132)</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
CONCEALED HANDGUN CARRY FUND
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ 75,900	75,900	367,180	291,280
Total budgeted revenues			<u>\$ 367,180</u>	<u>291,280</u>
Prior year cash budgeted	-	300,000		
Total budgeted revenues	<u>\$ 75,900</u>	<u>375,900</u>		
Expenditures				
Other financing uses	\$ 75,900	375,900	346,653	29,247
Total budgeted expenditures	<u>\$ 75,900</u>	<u>375,900</u>	<u>346,653</u>	<u>29,247</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 20,527</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
ORPHAN MATERIALS RECOVERY
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ -	-	-	-
Total budgeted revenues			<u>\$ -</u>	<u>-</u>
Prior year cash budgeted	<u>10,000</u>	<u>21,200</u>		
Total budgeted revenues	<u>\$ 10,000</u>	<u>21,200</u>		
Expenditures				
Other financing uses	\$ 10,000	21,200	20,193	1,007
Total budgeted expenditures	<u>\$ 10,000</u>	<u>21,200</u>	<u>20,193</u>	<u>1,007</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (20,193)</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
LAW ENFORCEMENT ADVANCED TRAINING FUND
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ 302,900	302,900	286,911	(15,989)
Reversion to State General Fund	-	-	(24,704)	(24,704)
Total revenues			<u>\$ 262,207</u>	<u>(40,693)</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 302,900</u>	<u>302,900</u>		
Expenditures				
Other financing uses	\$ 302,900	302,900	262,207	40,693
Total budgeted expenditures	<u>\$ 302,900</u>	<u>302,900</u>	<u>262,207</u>	<u>40,693</u>
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
PEACE OFFICERS' SURVIVORS FUND
Year Ended June 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ -	-	733,488	733,488
Total budgeted revenues			<u>\$ 733,488</u>	<u>733,488</u>
Prior year cash budgeted	<u>-</u>	<u>500,000</u>		
Total budgeted revenues	<u>\$ -</u>	<u>500,000</u>		
Expenditures				
Other financing uses	\$ -	750,000	750,000	-
Total budgeted expenditures	<u>\$ -</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (16,512)</u>	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF FIDUCIARY ASSETS
AND LIABILITIES-AGENCY FUNDS
June 30, 2009

	DNA Fund	Evidence Fund	Governmental Gross Receipts Tax Fund	Total
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 351,651	81,909	-	433,560
Due from other state agencies	-	-	-	-
Total assets	\$ 351,651	81,909	-	433,560
LIABILITIES				
Assets held for others	\$ 351,651	81,909	-	433,560
Total liabilities	\$ 351,651	81,909	-	433,560

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
AND LIABILITIES-AGENCY FUNDS
June 30, 2009

	Balance June 30, 2008	Additions	(Deductions)	Balance June 30, 2009
DNA Fund (402000)				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 101,570	250,081	-	351,651
Due from other funds	100,000	-	(100,000)	-
	<u>\$ 201,570</u>	<u>250,081</u>	<u>(100,000)</u>	<u>351,651</u>
LIABILITIES				
Assets held for others	\$ 201,570	250,081	(100,000)	351,651
Evidence Fund (105600)				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 172,564	-	(90,655)	81,909
LIABILITIES				
Assets held for others	\$ 172,564	-	(90,655)	81,909
Governmental Gross Receipts Tax Fund (787000)				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ -	-	-	-
Due from other funds	-	-	-	-
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Assets held for others	\$ -	-	-	-
Total Agency Funds				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 274,134	250,081	(90,655)	433,560
Due from other funds	100,000	-	(100,000)	-
	<u>\$ 374,134</u>	<u>250,081</u>	<u>(190,655)</u>	<u>433,560</u>
LIABILITIES				
Assets held for others	\$ 374,134	250,081	(190,655)	433,560

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF CASH
June 30, 2009

Name of Depository	Account Name	SHARE Fund No.	Type of Account	Interest Bearing	Bank Balance at June 30, 2009	Reconciled Balance at June 30, 2009
Governmental Fund Types						
General Fund						
New Mexico State Treasurer	Department of Public Safety	128000	State Treasury	No	\$ 4,491,977	4,491,977
New Mexico State Treasurer	Local Law Enforcement Block Grant	696000	State Treasury	No	-	-
Wells Fargo Bank	Contingency Fund Account	128000	Wells Fargo - Checking	No	14,819	14,819
	SID Regular Contingency	128000	Cash on Hand	N/A	-	4,049
	SID - DOH Cigarette/Tobacco	128000	Cash on Hand	N/A	-	4,233
	Petty Cash and Change Funds	128000	Cash on Hand	N/A	-	14,151
Wells Fargo Bank	SID Contingency Fund Account	128000	Wells Fargo - Checking	No	2,958	2,958
Total General Fund Cash					4,509,755	4,532,188
Special Revenue Funds						
New Mexico State Treasurer	Forfeitures CSA	342000	State Treasury	No	223,440	223,440
New Mexico State Treasurer	Federal Forfeitures	343000	State Treasury	No	2,476,618	2,476,618
New Mexico State Treasurer	DPS - Peace Officers Survival Fund	346000	State Treasury	No	350,047	350,047
New Mexico State Treasurer	Federal Forfeitures - MTD	908000	State Treasury	No	-	-
New Mexico State Treasurer		670000	State Treasury	No	5,029	5,029
New Mexico State Treasurer	Law Enforcement Training	786000	State Treasury	No	193,675	193,675
New Mexico State Treasurer	Concealed Carry Handgun	594000	State Treasury	No	889,924	889,924
New Mexico State Treasurer	State Chemist Fees	272000	State Treasury	No	1,153,859	1,153,859
New Mexico State Treasurer	Crime Stopper Commission	904000	State Treasury	No	-	-
Bank of America	Crime Stoppers Rewards	894000	Checking	No	23,553	23,553
Bank of America	Procurement of Evidence	128000	Bank of America Chkg	No	48,648	48,648
	Cash w/Undercover Agents - Narc	128000	Cash on Hand	N/A	-	22,861
	Cash in vault - Federal Forfeitures	343000	Cash in Vault		-	100,000
New Mexico State Treasurer	Special Donations	882000	State Treasury	No	121,635	121,635
Total Special Revenue Funds					5,486,426	5,609,288
Capital Projects						
New Mexico State Treasurer	Capital Projects	090000	State Treasury	No	250,124	250,124
Total Capital Projects Funds					250,124	250,124
Total Governmental Fund Types					\$ 10,246,305	10,391,600
Fiduciary Fund Types						
Agency Funds						
New Mexico State Treasurer	DPS - DNA Identification Fund	402000	State Treasury	No	\$ 351,651	351,651
New Mexico State Treasurer	DPS - Governmental Gross Receipts	787000	State Treasury	No	-	-
New Mexico State Treasurer	Cash in Vault - Confiscated Evidence	105600	Cash on Hand	No	-	81,909
Total Agency Funds					351,651	433,560
Total Department Cash					\$ 10,597,956	10,825,159

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF JOINT POWERS AGREEMENTS &
MEMORANDUMS OF UNDERSTANDING
Year Ended June 30, 2009

Participants	Party Responsible for Operations	Program Description	Date of Agreement		Total Estimated Amount of Project	Portion Applicable to Agency	Amount Contributed By Agency	Audit Responsibility	Agency Where Revs/Exps Are Reported
			Beginning	Ending					
Bureau of Land Management - NM Office	DPS	Provide law enforcement at various campgrounds in the Taos, NM area	5/1/2008	4/30/09	3,800	3,800	0	DPS	DPS
Chaves County/Roswell Police/DPS (JPA)	DPS	Officer-involved incident investigations	3/24/2009	Indefinite	-	-	0	DPS	DPS
Children Youth & Families/DPS	DPS	Underage alcohol abuse program svcs	7/31/2007	5/31/08	40,000	40,000	N/A	DPS	DPS
City of Albuquerque/Albuquerque Police	DPS	Transfer of 100K from DPS to City of Albuquerque Police Dept for purchase of capital equipment for DNA Identification System as appropriated by the Legislature	1/15/2009	7/3/05	100,000	-	100,000	DPS	DPS
City of Albuquerque/Albuquerque Police	DPS	Commissioning of Albuquerque Police Dept officers (two) to enforce NM Liquor Control Act	10/15/2008	Indefinite	-	-	0	DPS	DPS
City of Hobbs/Forensic Lab/DPS (MOU)	DPS	Forensic Lab Renovation Appropriation	6/19/2009	7/30/09	110,000	-	110,000	DPS	DPS
Department of Tax S Revenue/DPS (Intra-	DPS	Xfer of funds from TRD for Hiring of Temporary Personnel and Overtime to personnel at POE's	1/9/2009	6/30/11	250,000	250,000	0	DPS	DPS

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF JOINT POWERS AGREEMENTS &
MEMORANDUMS OF UNDERSTANDING
Year Ended June 30, 2009

Participants	Party Responsible for Operations	Program Description	Date of Agreement		Total Estimated Amount of Project	Portion Applicable to Agency	Amount Contributed By Agency	Audit Responsibility	Agency Where Revs/Exps Are Reported
			Beginning	Ending					
Department of Tax & Revenue/DPS (Intra)	DPS	Transfer of funds to to DPS/MTD to conduct Special Ops-Tax Card Enforcement from Weight Distance Tax Id Permit Fund	7/1/2008	6/30/10	500,000	500,000	0	DPS	DPS
Department of Transportation/DPS (MOA)	DPS	Define responsibilities between DOT and MTD re License Plate render project	6/23/2009	Indefinite	-	-	0	DPS	DPS
Department of Transportation/DPS (Proj)	DPS	"TraCS" Traffic Records Improvement & Development	6/18/2008	12/31/09	42,000	42,000	0	DPS	DPS
Dept of Health (DOH)/DPS (MOU)	DPS	Compile data for 1 year of detection of levamisole in GCMS analysis/provide chemical analysis of not more than 12 samples in a 1 year period	5/7/2009	5/6/10	-	-	0	DPS	DPS
Dept of Health (DOH)/DPS (MOU)	DPS	Enforcement of Tobacco Products Act and ADAMHA (Alcohol, Drug Abuse, and Mental Health Admin Act)	9/2/2008	6/30/09	100,000	100,000	0	DPS	DPS
DFA/DPS (MOU)	DPS	Transfer of \$100K from DFA to DPS for expenses for police agencies and county sheriffs to enforce arrests and bench warrants	5/8/2006	6/30/10	100,000	100,000	0	DPS	DPS
DFA/DPS (MOU)	DPS	Transfer of \$150K for purchase of law enforcement equipment and for financing undercover operations such as identifying establishments and persons who provide alcohol to intoxicated persons	9/1/2007	6/30/09	150,000	150,000	0	DPS	DPS

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF JOINT POWERS AGREEMENTS &
MEMORANDUMS OF UNDERSTANDING
Year Ended June 30, 2009

Participants	Party Responsible for Operations	Program Description	Date of Agreement		Total Estimated Amount of Project	Portion Applicable to Agency	Amount Contributed By Agency	Audit Responsibility	Agency Where Revs/Exps Are Reported
			Beginning	Ending					
DHS Domestic Nuclear Detection Office/1	DPS	Develop and use Preventive Radiation Detection database	2/6/2008	2/5/09	-	N/A	N/A	DPS	DPS
DOH/DPS	DPS	Enforcement of Tobacco Products Act and Liquor Control Act	8/31/2007	6/30/08	114,000	114,000	N/A	DPS	DPS
Drug Enforcement Admin/DPS (Task For	DPS	HIDTA Task Force addressing trafficking in narcotics and dangerous drugs	9/15/2008	9/30/09	16,329	16,329	0	DPS	DPS
Energy, Minerals & Natural Resources/DX	DPS	WIPP Task Force	10/1/1993	Indefinite	-	-	0	DPS	DPS
FBI/DPS (MOU)	DPS	Info from NCIC (Nat Crime Info Ctr) Vehicle File, License Plate File; vehicle info in Wanted Persons File	4/25/2008	Indefinite	-	-	0	DPS	DPS
GSD, Property Ctr/Div/DPS	DPS	Transfer of 50K to purchase equipment for a mechanic's garage for NMSP Distr 6 Office in Gallup	3/6/2008	then transfer compli	50,000	50,000	N/A	DPS	DPS
Highlands University/DPS (JPA)	DPS	Law enforcement during special events	3/27/2009	12/31/10	38.00/hour	\$38.00/hour	0	DPS	DPS

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF JOINT POWERS AGREEMENTS &
MEMORANDUMS OF UNDERSTANDING
Year Ended June 30, 2009

Participants	Party Responsible for Operations	Program Description	Date of Agreement		Total Estimated Amount of Project	Portion Applicable to Agency	Amount Contributed By Agency	Audit Responsibility	Agency Where Revs/Exps Are Reported
			Beginning	Ending					
McKinley County/Gallup Police/DPS (JP/	DPS	Officer-involved incident investigations	3/24/2009	Indefinite	-	-	0	DPS	DPS
Mesilla Valley Dispatch Authority/DPS (J	DPS	Use and maintenance of E911 equipment	4/16/2006	Indefinite	-	-	0	DPS	DPS
Mountain States Constructors/DPS (MOU	DPS	Traffic enforcement by State Police during construction project	1/29/2009	9/30/09	50,000	50,000	0	DPS	DPS
Natl Park Service/Pecos Natl Forest/DPS (Mutual Aid Agreement)		Mutual assistance agreement	12/1/2008	12/1/13	-	-	0	DPS	DPS
Natl Transport Research Ctr/MTD Brake Test/DPS (MOU)		In-Service CMV Brake Assessment Project	3/13/2009	6/30/09	-	-	0	DPS	DPS
New Mexico Coalition of Sexual Assault I	DPS	Partnership among NM Coalition of Sexual Assault Programs to address Enhanced Trng & Svcs to End Violence Against & Abuse Of Women Later In Life Program	1/27/2009	1/26/12	-	-	0	DPS	DPS
New Mexico State Fair Comm (EXPO)/D.	DPS	NM State Fair Comm/Provide assistance & security at 2008 State Fair (Sept 2008)	6/4/2008	2/4/09	38.00/hour	38.00/hour	0	DPS	DPS

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF JOINT POWERS AGREEMENTS &
MEMORANDUMS OF UNDERSTANDING
Year Ended June 30, 2009

Participants	Party Responsible for Operations	Program Description	Date of Agreement		Total Estimated Amount of Project	Portion Applicable to Agency	Amount Contributed By Agency	Audit Responsibility	Agency Where Revs/Exps Are Reported
			Beginning	Ending					
New Mexico State Fair Comm (EXPO)ID:	DPS	NM State Fair Comm/Provide assistance & security at 2009 State Fair (Sept 2009)	5/13/2009	2/28/10	38.00/hour	38.00/hour	0	DPS	DPS
New Mexico State Fair Comm/DPS (MOI)	DPS	NM State Fair Comm/Provide assistance & security at State Fairground events (other than the State Fair)	6/30/2008	Indefinite	38.00/hour	38.00/hour	0	DPS	DPS
NM State Univ/DPS (JPA)	DPS	Provide addtl security during special events on NMSU property	5/13/2009	12/31/10	38.00/hour	38.00/hour	0	DPS	DPS
NMSU/DPS	DPS	Process mapping for NMDPS N. Forensic Lab	2/26/2008	12/31/08	21,450	21,450	17349.46	DPS	DPS
Region III Drug Enforcement Task Force/	DPS	Marijuana Eradication ops	7/30/2008	12/31/08	5,500	5,500	0	DPS	DPS
San Juan County Commissioners/DPS	DPS	Communications Center	1/30/2007	6/30/08	60,000	60,000	60000	DPS	DPS
San Juan County/San Juan County Criminal Justice Training Authority/DI Enforcement Training Facility		Operation of a Regional Law Enforcement Training Facility	4/7/2009	Indefinite	4,800	4,800	4800	DPS	DPS

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF JOINT POWERS AGREEMENTS &
MEMORANDUMS OF UNDERSTANDING
Year Ended June 30, 2009

Participants	Party Responsible for Operations	Program Description	Date of Agreement		Total Estimated Amount of Project	Portion Applicable to Agency	Amount Contributed By Agency	Audit Responsibility	Agency Where Revs/Exps Are Reported
			Beginning	Ending					
Town of Edgewood/DPS	DPS	Lease of office space Conduct operations to identify amount of commercial vehicles entering NM illegally/Utilize remaining funds in FY08 which were transferred from the Weight Distance Tax ID Permit Fund by TRD to DPS during FY07	7/1/2007	5/31/12	128,400	128,400	128,400	DPS	DPS
TRD/DPS	DPS		8/15/2007	6/30/08	424,000	424,000	N/A	DPS	DPS
Univ of NM/DPS	DPS	Provide addit security during special events on UNM property	6/25/2007	12/31/08	70,000	70,000	N/A	DPS	DPS
Univ of NM/DPS/MTD	DPS	Provide addit security during special events on UNM property	7/1/2008	6/30/11	40,000/hour	40,000/hour	0	DPS	DPS
US Dept of Interior Bur of Reclamation/D	DPS	Transfer of funds for law enforcement, emergency medical assistance and security at selected areas of Brantley	5/24/2008	9/30/12	80,000	80,000	0	DPS	DPS
US Fish & Wildlife/DPS (MOU)	DPS	Law enforcement assistance	10/16/2008	Indefinite	-	-	0	DPS	DPS
USDA Forest Svc, Carson Natl Forest/DP	DPS	State Police Patrols	5/5/2009	9/30/09	38.00/hour	38.00/hour	0	DPS	DPS

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF JOINT POWERS AGREEMENTS &
MEMORANDUMS OF UNDERSTANDING
Year Ended June 30, 2009

Participants	Party Responsible for Operations	Program Description	Date of Agreement		Total Estimated Amount of Project	Portion Applicable to Agency	Amount Contributed By Agency	Audit Responsibility	Agency Where Revs/Exps Are Reported
			Beginning	Ending					
USDA Forest Svc, Santa Fe Natl Forest/D	DPS	State Police Patrols	5/20/2009	9/30/09	38.00/hour	38.00/hour	0	DPS	DPS
Village of Maxwell/DPS	DPS	Provide law enforcement services for the village (Law Enforcement Protection Fund grants made available to NMDPS; no dollar amt specified)	7/1/2008	6/30/09	-	-	0	DPS	DPS
Village of Ruidoso/DPS	DPS	Share office space	7/1/2008	6/30/09	22,000	22,000	22000	DPS	DPS
Village of Wagon Mound/DPS	DPS	Provide law enforcement services for the village (Law Enforcement Protection Fund grants made available to NMDPS; no dollar amt specified)	7/1/2008	6/30/09	-	-	0	DPS	DPS
VitalCheck/DPS (Misc Agrmt)	DPS	Credit card processing for points of entry (fee based revenue)	7/1/2008	12/31/08	-	-	0	DPS	DPS
Western NM University/DPS (Professiona	DPS	Driving Course here at DPS HQ	5/28/2009	6/30/09	5,100	5,100	0	DPS	DPS

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

FEDERAL GRANTOR/AGENCY PROGRAM TITLE	FEDERAL CFDA #	GRANT NUMBER	GRANT PERIOD FROM	GRANT PERIOD TO	AWARD AMOUNT	CURRENT EXPEND.
US DEPARTMENT OF AGRICULTURE						
US Dept of Agriculture - Carson National Forest	10.xxx	06CA1103020006	2/6/2006	9/30/2008	\$ 10,000	4,172
TOTAL US DEPARTMENT OF AGRICULTURE					<u>10,000</u>	<u>4,172</u>
US DEPARTMENT OF HOMELAND SECURITY						
Homeland Security Cluster						
DHSEM - Cyber Security Training	97.067	2005-DPS-TRAINING	4/29/2009	9/1/2009	4,300	2,400
DHSEM - NMSP Bomb Team Training	97.067	2005-GE-T5-0012	4/3/2009	6/30/2009	4,600	2,089
DHSEM - NMSP Bomb Team	97.067	2005-GE-T5-0012	3/5/2009	6/30/2009	10,000	2,817
DHSEM - NMSP Intelligence Fusion	97.067	2006-GE-T6-0064	8/1/2007	6/30/2009	127,800	113,354
DHSEM - NMSP Tact Team	97.067	2006-GR-T6-0064	11/1/2007	2/28/2009	95,903	33,738
DHSEM - NMSP Night Vision	97.067	2006-GR-T6-0064	10/19/2007	12/31/2008	67,839	23,784
DHSEM Court Security Training	97.067	2007-GE-T7-0023	9/30/2008	2/28/2009	50,000	50,000
DHSEM - Operation Stonegarden	97.067	2007-SG-N6-0001	11/1/2006	10/31/2008	455,932	71,877
DHSEM - Desert Snow Training	97.067	08DESSERTSNOW	12/24/2008	2/28/2009	7,500	7,230
DHSEM - FEMA Disaster Relief Storms	97.036	FEMA-1783-DR-NM	1/5/2009	8/14/2009	7,948	9,258
Total Homeland Security Cluster					<u>831,822</u>	<u>316,548</u>
TOTAL US DEPARTMENT OF HOMELAND SECURITY					<u>831,822</u>	<u>316,548</u>
US DEPARTMENT OF THE INTERIOR						
2008 Dept of Interior - Brantley Project	15.515	None	5/24/2008	9/30/2008	20,000	7,802
2009 Dept of Interior - Brantley Project	15.515	None	4/24/2008	9/30/2012	20,000	14,435
					<u>40,000</u>	<u>22,236</u>
TOTAL US DEPARTMENT OF THE INTERIOR					<u>40,000</u>	<u>22,236</u>
US DEPARTMENT OF JUSTICE						
DIRECT FLOW THROUGH						
2006 VAWA NMSP	16.013	2006-WF-AX-0015	9/1/2008	6/30/2009	5,000	1,619
2007 Project IMPACT Administration	16.580	2007-DD-BX-0619ADM	10/1/2007	9/30/2009	31,070	1,947
2007 Project IMPACT	16.580	2007-DD-BX-0619	10/1/2007	9/30/2009	507,930	387,288
					<u>539,000</u>	<u>389,235</u>
2005 RSAT Flow Through	16.592	2005-RT-BX-0040	10/1/2004	9/30/2009	239,310	132,315
					<u>239,310</u>	<u>132,315</u>
2004 Bulletproof Vest Flow Through	16.607	None	6/8/2004	9/30/2009	28,771	3,783
2006 Bulletproof Vest Flow Through	16.607	None	4/1/2006	9/30/2010	27,684	13,562
2007 Bulletproof Vest Flow Through	16.607	None	7/1/2007	6/30/2010	33,231	27,092
2007 Bulletproof Vest MTD	16.607	None	7/1/2007	6/30/2010	12,141	3,550
2007 Bulletproof Vest NMSP	16.607	None	7/1/2007	6/30/2010	13,182	13,182
2008 Bulletproof Vest NMSP	16.607	None	11/1/2008	12/31/2009	10,665	10,500
					<u>125,674</u>	<u>71,668</u>
2006 PSN Administration	16.609	2006-GP-CX-0050	10/1/2006	9/30/2008	37,117	1,176
2006 PSN Flow Through	16.609	2006-GP-CX-0050	10/1/2006	9/30/2008	-	23,570
2007 PSN Administration	16.609	2007-GP-CX-0066	9/1/2007	8/31/2010	149,912	2,358
2007 PSN Flow Through	16.609	2007-GP-CX-0066	9/1/2007	8/31/2010	-	56,340
2008 PSN Flow Through	16.609	2008-GP-CX-0026	10/1/2008	9/30/2011	113,297	6,157
					<u>300,326</u>	<u>89,601</u>
2005 COPS Technology	16.710	2005-CK-WX-0343	12/8/2004	12/7/2008	1,109,974	19,198
2006 COPS Technology Administration	16.710	2006-CK-WX-0201	11/22/2005	5/21/2009	74,042	140
2006 COPS Technology	16.710	2006-CK-WX-0201	11/22/2005	5/21/2009	-	66,557
2008 COPS Methamphetamine Initiative	16.710	2008-CK-WX-0052	12/26/2007	12/25/2010	88,854	58,564
2008 COPS Methamphetamine	16.710	2008-CK-WX-0534	12/26/2007	12/25/2010	1,005,448	10,842
2008 COPS Methamphetamine Flow Through	16.710	2008-CK-WX-0534	12/27/2007	12/25/2010	127,107	6,562
					<u>2,405,425</u>	<u>161,863</u>
2005 JAG Administration	16.738	2005-DJ-BX-0839	10/1/2004	9/30/2009	305,712	205,273
2005 JAG Flow Through	16.738	2005-DJ-BX-0839	10/1/2004	9/30/2009	1,844,014	180,663
2006 JAG Administration	16.738	2006-DJ-BX-0054	10/1/2005	9/30/2009	1,879,901	63,422
2006 JAG Flow Through	16.738	2006-DJ-BX-0054	10/1/2005	9/30/2009	-	56,845
2006 JAG Investigations	16.738	2006-DJ-BX-0054	10/1/2008	9/30/2009	-	138,662
2007 JAG Administration	16.738	2007-DJ-BX-0066	10/1/2006	9/30/2010	2,757,976	2,571
2007 JAG Criminal	16.738	2007-DJ-BX-0066	10/1/2006	9/30/2010	-	245,765
2007 JAG Flow Through	16.738	2007-DJ-BX-0066	10/1/2006	9/30/2010	-	634,860
2007 JAG Narcotics	16.738	2007-DJ-BX-0066	10/1/2006	9/30/2010	-	72,613
2008 JAG Flow Through	16.738	2008-DJ-BX-0021	10/1/2007	9/30/2011	-	374,731
2008 JAG Investigations	16.738	2008-DJ-BX-0021	10/1/2007	9/30/2011	-	106,211
					<u>6,787,603</u>	<u>2,081,617</u>

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

FEDERAL GRANTOR/AGENCY PROGRAM TITLE	FEDERAL CFDA #	GRANT NUMBER	GRANT PERIOD FROM	TO	AWARD AMOUNT	CURRENT EXPEND.
2006 DNA Capacity Administration	16.742	2006-DN-BX-K133	10/1/2006	9/30/2009	\$ 430,467	7,954
2006 DNA Capacity Crime Lab	16.742	2006-DN-BX-K133	10/1/2006	9/30/2009	-	89,152
2006 Paul Coverdell Administration	16.742	2006-DN-BX-0010	10/1/2006	3/31/2009	163,053	12,428
2006 Paul Coverdell Flow Through	16.742	2006-DN-BX-0010	10/1/2006	3/31/2009	-	46,848
2007 Paul Coverdell Administration	16.742	2007-CD-BX-0074	10/1/2007	9/30/2009	4,925	941
2007 Paul Coverdell Crime Lab	16.742	2007-CD-BX-0074	10/1/2007	9/30/2009	22,810	4,526
2007 Paul Coverdell Flow Through	16.742	2007-CD-BX-0074	10/1/2007	9/30/2009	138,880	43,206
2008 Paul Coverdell Crime Lab	16.742	2008-CD-BX-0099	10/1/2008	9/30/2009	24,810	12,997
					<u>784,945</u>	<u>218,052</u>
2006 DNA Backlog	16.743	2006-DN-BX-K113	10/1/2006	9/30/2009	45,000	6,429
2006 AGI Administration	16.744	2006-PG-BX-0006	1/1/2006	12/31/2009	-	9,195
2006 AGI Flow Through	16.744	2006-PG-BX-0006	1/1/2006	12/31/2009	215,700	62,635
2007 AGI Flow Through	16.744	2007-PG-BX-0082	9/1/2007	8/31/2010	242,617	130,357
					<u>458,317</u>	<u>202,188</u>
TOTAL US DEPARTMENT OF JUSTICE - DIRECT					<u>11,690,600</u>	<u>3,354,587</u>
OFFICE OF NATIONAL DRUG CONTROL POLICY						
2004 HIDTA MTD	16.880	I4PSNP561	7/1/2004	12/31/2008	102,200	11,898
2005 HIDTA NMSP	16.880	I5PSNP561	2/1/2005	6/30/2009	215,861	1,035
2006 HIDTA MTD	16.880	I6PSNP561	1/1/2006	6/30/2009	106,200	29,830
2006 HIDTA Southern Crime Lab	16.880	I6PSNP561	1/1/2006	6/30/2009	209,530	13,301
2006 HIDTA NMSP	16.880	I6PSNP561	1/1/2006	6/30/2009	159,302	2,831
2007 HIDTA MTD	16.880	I7PSNP561Z	7/1/2007	6/30/2009	106,200	4,010
2007 HIDTA Southern Crime Lab	16.880	I7PSNP561Z	7/1/2007	6/30/2009	222,856	76,157
2007 HIDTA NMSP	16.880	I7PSNP561Z	7/1/2007	6/30/2009	174,302	16,672
2008 HIDTA NM Investigative Support Center	16.880	I8PSNP561Z	7/1/2008	6/30/2010	151,479	116,091
2008 HIDTA MTD	16.880	I8PSNP561Z	7/1/2008	6/30/2010	108,429	103,636
2008 HIDTA Southern Crime Lab	16.880	I8PSNP561Z	7/1/2008	6/30/2009	222,856	188,408
2008 HIDTA NMSP	16.880	I8PSNP561Z	7/1/2008	6/30/2009	174,302	188,299
2009 HIDTA Lea County	16.880	I8PSNP561Z	7/1/2008	6/30/2009	7,663	4,318
2009 HIDTA Regional Inter-Agency	16.880	I8PSNP561Z	7/1/2008	6/30/2009	13,728	2,716
2009 HIDTA Border Operations	16.880	I8PSNP561Z	7/1/2008	6/30/2009	25,000	22,251
HIDTA Region III Task Force	16.880	I8PSNP573Z	7/1/2008	6/30/2009	32,438	38,731
Southern New Mexico Gang Task	16.880	None	7/1/2006	6/30/2014	15,000	11,453
2009 Drug Enforcement Agency - MTD ABQ	16.xxx	MTD09DEAABQ	10/1/2008	6/30/2009	16,328	4,575
2009 Drug Enforcement Agency - MTD LC	16.xxx	MTD09DEALC	10/1/2008	6/30/2009	16,328	1,917
2009 Drug Enforcement Agency - NMSP ABQ	16.xxx	NMSPDEAABQ	7/1/2008	6/30/2009	32,657	10,543
2009 Drug Enforcement Agency - NMSP LC	16.xxx	NMSPDEALC	7/1/2008	6/30/2009	32,657	30,835
US Marshals Service	16.xxx	None	7/1/2006	6/30/2014	15,000	4,785
US Marshals Service	16.xxx	None	10/1/2008	9/30/2009	27,462	8,696
2009 Marijuana Eradication	16.xxx	None	7/1/2008	12/31/2008	5,500	1,915
FBI Joint Terrorism Task Force	16.xxx	FBIJTTF	7/1/2006	6/30/2014	15,000	6,726
2009 Immigrations & Customs Enforcement	16.xxx	NMSP2009ICE	10/1/2007	9/30/2009	10,000	9,457
TOTAL OFFICE OF NATIONAL DRUG CONTROL POLICY					<u>2,218,278</u>	<u>911,085</u>
TOTAL US DEPARTMENT OF JUSTICE					<u>13,908,878</u>	<u>4,265,673</u>
US DEPARTMENT OF TRANSPORTATION						
DIRECT FLOW THROUGH						
2007 MCSAP BORDER	20.217	BE-07-35-1	10/1/2006	12/15/2008	1,157,938	85,864
2008 MCSAP BORDER	20.217	BE-08-35-1	10/1/2007	9/30/2009	489,355	454,524
2009 MCSAP BORDER	20.217	BE-09-35-1	10/1/2008	9/30/2010	616,554	167,198
2007 USDOT CVISN CAD-CDMA	20.217	IT073501G00000	10/1/2007	12/31/2010	595,960	121,102
2001 Commercial Vehicle ITS	20.217	ITS-7700 (086)	1/1/2004	9/30/2009	297,606	28,054
03-USDOT CVISN	20.217	MC-99-35-555 A	10/1/2003	9/30/2009	436,770	2,267
2006 USDOT CVISN	20.218	CVISN ITNM0602	8/16/2006	9/30/2009	100,000	51,802
2007 MCSAP BASIC	20.218	MC-07-35-1	10/1/2006	12/31/2008	1,712,685	25,451
2008 MCSAP BASIC	20.218	MC-08-35-1	10/1/2007	9/30/2009	1,762,228	692,683
2009 MCSAP BASIC	20.218	MC-09-35-1	10/1/2008	9/30/2010	729,851	958,967
2007 MCSAP High Priority	20.218	MCSAP-HP-07	10/1/2007	9/30/2008	83,200	5,089
2007 MCSAP New Entrant	20.218	MN-07-35-1	10/1/2006	9/30/2008	613,019	9,976
2008 MCSAP New Entrant	20.218	MN-08-35-1	10/1/2007	9/30/2009	286,850	206,060
2009 MCSAP New Entrant	20.218	MN-09-35-1	10/1/2008	9/30/2010	213,007	90,968
					<u>9,095,023</u>	<u>2,900,005</u>
2008 NMDOT-TSB Drunkbusters	20.608	08-AL-64-P34	10/1/2007	9/30/2008	70,000	18,352

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

FEDERAL GRANTOR/AGENCY PROGRAM TITLE	FEDERAL CFDA #	GRANT NUMBER	GRANT PERIOD		AWARD AMOUNT	CURRENT EXPEND.
			FROM	TO		
2008 NMDOT-TSB 100 Days & Nights of Summer	20.609	08-PT-D5-071	6/1/2008	9/30/2008	23,250	9,390
2009 NMDOT-TSB 100 Days & Nights of Summer	20.609	09-PT-D5-071	6/1/2009	9/30/2009	21,014	2,719
2008 NMDOT-TSB Selective Traffic Enforcement MTD	20.609	08-PT-06-115	10/1/2007	9/30/2008	19,988	12,403
2008 NMDOT-TSB Selective Traffic Enforcement	20.609	08-PT-06-071	10/1/2007	9/30/2008	110,000	40,093
2009 NMDOT-TSB Selective Traffic Enforcement	20.609	09-PT-06-071	1/7/2009	9/30/2009	82,004	41,156
2008 NMDOT TRACS	20.xxx	08-HE-P1-3F-TSB	7/1/2008	12/31/2009	42,250	41,255
					<u>298,506</u>	<u>147,016</u>
TOTAL US DEPARTMENT OF TRANSPORTATION - DIRECT					9,463,529	3,065,373
NEW MEXICO TRAFFIC SAFETY BUREAU - PASS THROUGH						
SID's Underage Alcohol Enforcement	16.727	2008-AH-FX-0042	7/1/2008	5/31/2009	45,000	40,895
2009 Quay County Enforcing Underage Alcohol	16.xxx	09QUAYEUDL	7/1/2008	5/31/2009	2,000	1,851
2009 San Juan County Enforcing Underage Alcohol	16.xxx	09SJCPEUDL	7/1/2008	5/15/2009	3,200	2,149
					<u>50,200</u>	<u>44,895</u>
Highway Safety Cluster						
2008 NMDOT-TSB Statewide Expanded DWI	20.600	08-AL-K8-071-(I)	10/1/2007	9/30/2008	750,000	391,024
2008 NMDOT-TSB Operation DWI	20.600	08-AL-K8-071	10/1/2007	9/30/2008	50,000	36,401
2008 NMDOT-TSB Operation DWI	20.600	08-AL-K8-071	10/1/2007	9/30/2008	357,532	154,639
2008 NMDOT-TSB Operation Buckle Down	20.600	08-AL-K8-071	10/1/2007	9/30/2008	122,668	31,089
2009 NMDOT-TSB Statewide Expanded DWI	20.600	09-AL-K8-071-DWI	10/1/2008	9/30/2009	500,000	400,394
2009 NMDOT-TSB Operation DWI	20.600	09-AL-K8-071-ODWI	10/1/2008	9/30/2009	333,532	272,730
Total Highway Safety Cluster					<u>2,113,732</u>	<u>1,286,278</u>
2008 DHSEM-USDOT Haz Mat Explo	20.703	HMENM8056150	10/1/2008	1/31/2009	22,500	15,147
TOTAL NEW MEXICO TRAFFIC SAFETY BUREAU - PASS THROUGH					2,186,432	1,346,320
TOTAL US DEPARTMENT OF TRANSPORTATION					11,649,961	4,411,693
US DEPARTMENT OF ENERGY						
NEW MEXICO ENERGY & MINERALS DEPARTMENT - PASS THROUGH						
2009 EMNRD-WIPP Administration	81.106	DE-FC29-88 AK 53813	7/1/2008	6/30/2009	84,263	22,829
2009 EMNRD-WIPP MTD	81.106	DE-FC29-88 AK 53813	7/1/2008	6/30/2009	327,407	205,659
2009 EMNRD-WIPP NMSP	81.106	DE-FC29-88 AK 53813	7/1/2008	6/30/2009	266,386	121,359
TOTAL US DEPARTMENT OF ENERGY					<u>678,056</u>	<u>349,847</u>
US FOOD & DRUG ADMINISTRATION						
NEW MEXICO DEPARTMENT OF HEALTH - PASS THROUGH						
2009 DOH Tobacco Enforcement	93.xxx	DOH09SIDTOBACCO	7/1/2008	6/30/2009	100,000	32,830
TOTAL NEW MEXICO DEPARTMENT OF HEALTH - PASS THROUGH					<u>100,000</u>	<u>32,830</u>
TOTAL ALL FEDERAL AWARDS					27,218,717	9,402,999

General - The Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Department.

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

Note A. Significant Accounting Policies - The accompanying Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting which is described in Note 2 to the Department's financial statements. Federal expenditures include adjustments resulting from subsequent changes in expenditures charged to a particular federal program.

Note B. The Department had sub recipients, by Federal Grantor, in the following amounts:

Name	Sub-Recipient-Fiscal Agency	Program Name	Federal #	Amount	CFDA #	
JAG	City of Las Vegas	Region IV	2005-DJ-BX-0839	\$ 89,004	16.738	
	City of Farmington	Region II	2005-DJ-BX-0839	228,698	16.738	
	Santa Fe County	Region III	2005-DJ-BX-0839	242,364	16.738	
	Coop Consulting, Inc		2006-DJ-BX-0054	4,000	16.738	
	Town of Silver City	Region VII	2006-DJ-BX-0054	37,638	16.738	
	County of Eddy	Region VI	2006-DJ-BX-0054	70,750	16.738	
	City of Las Vegas	Region IV	2006-DJ-BX-0054	44,914	16.738	
	NM State Police	Criminal NMSP	2006-DJ-BX-0054	327,165	16.738	
	NM State Police	Narcotics	2007-DJ-BX-0066	428,204	16.738	
	NM State Police	Criminal NMSP	2007-DJ-BX-0066	544,893	16.738	
	County of Bernalillo	Region I	2007-DJ-BX-0066	318,282	16.738	
	Bernalillo County	SWIFT (US Marshalls)	2007-DJ-BX-0066	75,000	16.738	
	Town of Bernalillo	NMGTFF	2007-DJ-BX-0066	210,156	16.738	
	Town of Bernalillo	NMGTFF (Conference)	2007-DJ-BX-0066	36,283	16.738	
	Coop Consulting, Inc		2007-DJ-BX-0066	70,595	16.738	
	County of Eddy	Region VI	2007-DJ-BX-0066	183,168	16.738	
	City of Clovis	Region V	2007-DJ-BX-0066	200,519	16.738	
	Town of Silver City	Region VII	2007-DJ-BX-0066	201,000	16.738	
	Chaves County		2007-DJ-BX-0066	100,000	16.738	
	City of Las Vegas	Region IV	2007-DJ-BX-0066	144,562	16.738	
	Bernalillo County	SWIFT (US Marshalls)	2008-GP-CX-0026	36,784	16.738	
	Coop Consulting, Inc		2008-GP-CX-0026	35,931	16.738	
	NM State Police	Investations Bureau	2008-GP-CX-0026	362,537	16.738	
	Town of Bernalillo	NMGTFF	2008-GP-CX-0026	109,295	16.738	
	City of Clovis	Region V	2008-DJ-BX-0021	97,264	16.738	
	County of Santa Fe	Region III	2008-DJ-BX-0021	52,969	16.738	
	Bernalillo County	Region I	2008-GP-CX-0026	128,657	16.738	
City of Farmington	Region II	2008-DJ-BX-0021	88,336	16.738		
ADMIN	GMB		2005-DJ-BX-0839	299,239	16.738	
ADMIN	GMB		2006-DJ-BX-0054	187,990	16.738	
ADMIN	GMB		2007-DJ-BX-0066	275,789	16.738	
ADMIN	GMB		2008-GP-CX-0026	101,356	16.738	
RSAT	NM Corrections		2005-RT-BX-0040	239,310	16.593	
	GMB		2005-RT-BX-0040	12,598	16.593	
	GMB		2006-RT-BX-0040	7,535	16.593	
	GMB		2007-RT-BX-0039	7,346	16.593	
	GMB		2008-RT-BX-0041	6,620	16.593	
Paul Coverdell	DPS	Northern Forensic Lab	2006-DN-BX-0010	18,532	16.742	
	University of NM	Office of the Medical Inv	2006-DN-BX-0010	124,147	16.742	
	DPS	Northern Forensic Lab	2007-CD-BX-0074	22,810	16.742	
	University of NM	Office of the Medical Inv	2007-CD-BX-0074	114,467	16.742	
	City of Albuquerque	ABQ Police Department	2007-CD-BX-0074	24,413	16.742	
	DPS	Northern Forensic Lab	2008-CD-BX-0099	24,810	16.742	
	University of NM	Office of the Medical Inv	2008-CD-BX-0099	99,762	16.742	
	City of Albuquerque	ABQ Police Department	2008-CD-BX-0099	24,810	16.742	
ADMIN	GMB		2006-DN-BX-0010	15,787	16.742	
ADMIN	GMB		2007-CD-BX-0074	4,925	16.742	
ADMIN	GMB		2008-CD-BX-0099	8,208	16.742	
DNA	DPS	Northern Forensic Lab	2005-DA-BX-K090	170,903	16.743	
	DPS	Northern Forensic Lab	2006-DN-BX-K113	43,650	16.743	
	DPS	Northern Forensic Lab	2006-DN-BX-K133	417,533	16.743	
	DPS	Northern Forensic Lab	2007-DN-BX-K073	461,505	16.741	
	ADMIN	GMB		2007-DN-BX-K073	14,269	16.741
	ADMIN	GMB		2005-DA-BX-K090	5,285	16.743
	ADMIN	GMB		2006-DN-BX-K113	1,350	16.743
ADMIN	GMB		2006-DN-BX-K133	12,914	16.743	

STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2009

COPS						
		NM State Police		2006CKWX0343	1,109,974	16.710
		NM State Police		2006CKWX0471	148,084	16.710
		NM State Police		2006CKWX0201	74,042	16.710
		NM State Police		2008CKWX0052	88,854	16.710
		City of Clovis	Region V	2008CKWX0534	34,280	16.710
		City of Farmington	Region II	2008CKWX0534	20,000	16.710
	Eddy County	Region VI	2008CKWX0534	72,827	16.710	
	NM State Police		2008CKWX0534	778,501	16.710	
ADMIN		GMB		2006CKWX0471	7,437	16.710
ADMIN		GMB		2006CKWX0471	7,437	16.710
ADMIN		GMB		2008CKWX0534	99,840	16.710
PSN		City of Albuquerque	ABQ Public Schools	2006-GP-CX-0050	33,405	16.609
		City of Albuquerque	ABQ Police Department	2006-GP-CX-0050	9,834	16.609
		Frank DelMargo		2007-GP-CX-0066	7,521	16.609
		City of Albuquerque	ABQ Public Schools	2007-GP-CX-0066	67,521	16.609
		Bernalillo County	Bernalillo Co Sheriff's (SWIFT)	2007-GP-CX-0066	11,500	16.609
		Nancy Sanchez		2007-GP-CX-0066	30,000	16.609
		Town of Bernalillo	NMGTF	2007-GP-CX-0066	10,000	16.609
		NM Sherrif's & Police Athletic League	NMSPAL	2007-GP-CX-0066	20,000	16.609
		Rick Johnson & Company		2007-GP-CX-0066	18,000	16.609
		City of Albuquerque	Albuquerque Police Dept	2007-GP-CX-0066	11,500	16.609
		City of Las Cruces	Las Cruces PD	2007-GP-CX-0066	6,400	16.609
		City of Albuquerque	ABQ Public Schools	2008-GP-CX-0026	30,000	16.609
		Nancy Sanchez		2008-GP-CX-0026	20,000	16.609
		City of Las Cruces	Las Cruces PD	2008-GP-CX-0026	17,467	16.609
		Bernalillo County	Bernalillo Co Sheriff's (SWIFT)	2008-GP-CX-0026	30,000	16.609
		University of New Mexico		2008-GP-CX-0026	4,500	16.609
ADMIN		GMB		2006-GP-CX-0050	3,712	16.609
ADMIN		GMB		2007-GP-CX-0066	14,991	16.609
ADMIN		GMB		2008-GP-CX-0026	11,330	16.609
Anti-Gang		City of Albuquerque	ABQ Public Schools	2006-PG-BX-0006	27,116	16.744
		City of Albuquerque	ABQ Police Department	2006-PG-BX-0006	6,102	16.744
		Nancy Sanchez		2006-PG-BX-0006	35,878	16.744
		Rick Johnson & Company		2006-PG-BX-0006	25,765	16.744
		University of New Mexico		2006-PG-BX-0006	37,969	16.744
		City of Las Cruces	Las Cruces PD	2006-PG-BX-0006	12,205	16.744
		3rd Judicial DA'S Office		2006-PG-BX-0006	42,993	16.744
		Bernalillo County	Bernalillo Co Sheriff's (SWIFT)	2006-PG-BX-0006	6,102	16.744
		Town of Bernalillo	NMGTF	2006-PG-BX-0006	9,700	16.744
		Rick Johnson & Company		2007-PG-BX-0082	10,000	16.744
		City of Las Cruces	Las Cruces PD	2007-PG-BX-0082	16,205	16.744
		New Mexico Correction Dept		2007-PG-BX-0082	6,574	16.744
		Town of Bernalillo	NMGTF	2007-PG-BX-0082	15,700	16.744
		City of Albuquerque	ABQ Police Department	2007-PG-BX-0082	37,000	16.744
		Nancy Sanchez		2007-PG-BX-0082	40,000	16.744
		Bernalillo County	Bernalillo Co Sheriff's (SWIFT)	2007-PG-BX-0082	32,000	16.744
		UNM		2007-PG-BX-0082	49,500	16.744
	2nd Judicial District		2007-PG-BX-0082	5,700	16.744	
	NM CYFD		2007-PG-BX-0082	8,000	16.744	
ADMIN		GMB		2007-PG-BX-0082	21,540	16.744
ADMIN		GMB		2007-PG-BX-0082	24,262	16.744
TCVI		NM State Police		2007-DD-BX-0619	507,930	16.580
ADMIN		GMB		2007-PG-BX-0082	31,070	16.580
Bulletproof Vest Partnership		NM State Police			13,182	N/A
		NM State Parks			4,476	N/A
		NM Corrections Department			21,513	N/A
		University of NM	Police Department		1,102	N/A
		DPS	Motor Transportation Dept		4,260	N/A
		NM Mounted Patrol			674	N/A
	NM State Univsity	Security Department		2,550	N/A	

NOTE: Bullet proof does not have a CFDA number as it is considered a reimbursement program, rather than a grant

**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. John Denko, Secretary
State of New Mexico
Department of Public Safety
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and major special revenue funds, and the aggregate remaining fund information of the State of New Mexico, Department of Public Safety (Department), as of and for the year ended June 30, 2009, which collectively comprise the Department's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 3, 2009. We have also audited the financial statements of each of the Department's non-major governmental funds, respective budgetary comparisons, major capital projects fund budgetary comparisons and fiduciary funds presented as supplemental information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Mr. John Denko, Secretary
State of New Mexico
Department of Public Safety
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the Department's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 06-1, 07-5, 08-2, and 09-1 through 09-4 to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Mr. John Denko, Secretary
State of New Mexico
Department of Public Safety
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 06-01, 08-2, and 09-2 through 09-4.

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

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

Moss Adams LLP

Albuquerque, New Mexico
December 3, 2009

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

Mr. John Denko, Secretary
State of New Mexico
Department of Public Safety
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

Compliance

We have audited the compliance of State of New Mexico, Department of Public Safety (Department) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Department'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 Department's management. Our responsibility is to express an opinion on the Department'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 Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Department's compliance with those requirements.

Mr. John Denko, Secretary
State of New Mexico
Department of Public Safety
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

In our opinion, the Department complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 07-10, 07-13, 08-8, 08-10, 08-11, 08-12, 08-16, 09-3, 09-5, and 09-7 through 09-9.

Internal Control Over Compliance

The management of the Department 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 Department's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Department's internal control over compliance.

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is

Mr. John Denko, Secretary
State of New Mexico
Department of Public Safety
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-10, 07-13, 08-8, 08-10, 08-11, 08-12, 08-14, 08-15, 08-16, and 09-5 through 09-9 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 08-14 and 09-8 to be material weaknesses.

The Department's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Department'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 Department, the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
December 3, 2009

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2009**

06-1	Capital Asset Disposals	Repeated/Modified
07-4	Lack of Adequate Management Reporting	Resolved
07-5	Journal Entry Processing	Repeated/Modified
07-7	Timeliness of Audit Report	Resolved
07-9	Cash Management and Reporting-Material Weakness	Resolved
07-10	Reporting	Repeated/Modified
07-13	Cash Management	Repeated/Modified
08-1	Cash on Hand Account	Resolved
08-2	Untimely Reversions	Repeated/Modified
08-3	Due to/from Other State Agencies	Resolved
08-4	Segregation of Duties – Cash Receipts	Resolved
08-5	Segregation of Duties – Chief Financial Officer	Resolved
08-6	Financial Close & Reporting – Material Weakness	Resolved
08-7	Capital Assets	Resolved
08-8	Access To Recovery-Level Of Effort	Repeated/Modified
08-9	SEFA Reconciliation – Material Weakness	Resolved
08-10	Equipment-Records of Property Acquired With Federal Awards	Repeated/Modified
08-11	Equipment-Physical Inventory Counts of Property Acquired With Federal Awards	Repeated/Modified
08-12	Equipment-Disposals Of Property Acquired With Federal Awards	Repeated/Modified
08-13	Reporting-Approvals of Forms 269	Resolved
08-14	Controls Over Receipt of Reimbursements of Federal Awards – Material Weakness	Repeated/Modified
08-15	Segregation of Duties-Allowable Costs, Cash Management and Reporting	Repeated/Modified
08-16	Supporting Documentation for Matching Requirements	Repeated/Modified

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

A.SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' 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)? X Yes _____ None Reported

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X Yes _____ No
- Significant deficiency(s) identified that are not considered to be material weakness(es) X Yes _____ 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? X Yes _____ No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
16.580	IMPACT
16.738	JAG – Justice Assistance Grant
16.880	HIDTA – High Intensity Drug Trafficking Area
20.218	MCSAP - National Motor Carrier Safety
20.600	Operation DWI
81.106	WIPP – Waste Isolation Pilot Plant
97.067	State Homeland Security

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

Auditee qualified as low-risk auditee? _____ Yes X No

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT - FINDINGS

06-1 Capital Assets Disposals

CONDITION

During our capital assets testing, we could not track capital asset disposals listed on the capital assets listing to specific, identifiable, inventoried capital assets. Reporting of deletions to the Finance Bureau for proper handling is inconsistent. Backup documentation could not be provided for \$3,637,135 in deletions as a result of the Department removing items previously disposed off the capital assets listing.

CRITERIA

Per 2.2.2.10.V. of the State Auditor Rule, "Sections 13-6-1 and 13-6-2 NMSA 1978, and the procurement code govern the disposition of obsolete, worn-out or unusable tangible personal property owned by state agencies, local public bodies, school districts, and state educational institutions. At least thirty days prior to any disposition of property on the agency inventory list described in 2.2.2.10.Y, written notification of the official finding and proposed disposition duly sworn and subscribed under oath by each member of the authority approving the action must be sent to the State Auditor."

EFFECT

The Department is not in compliance with state guidelines and the State Auditor Rule and there is increased risk that the assets could be lost, stolen or disposed of improperly.

CAUSE

The Department does not have procedures in place to ensure compliance with their policy of requiring all employees to provide all of the pertinent disposal information of each capital asset at time of disposal, such information would include capital asset description, tag number, date of disposal and any proceeds from said disposals to the responsible individual over capital assets in a timely manner.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2008**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

06-1 Capital Asset Disposals (Continued)

RECOMMENDATION

We recommend the Department create procedures to ensure compliance with its policy of requiring all employees to provide all of the pertinent disposal information of each capital asset at the time of disposal, such information would include capital asset description, tag number, date of disposal and any proceeds from said disposal to the responsible individual over capital assets in a timely manner. The Department should also provide identifying information of each capital asset disposed on the written notification to the State Auditor to provide an audit trail for compliance with the State Auditor Rule. Finally, the Department should update its capital asset records.

MANAGEMENT RESPONSE

The Department agrees that items being disposed of should be clearly identified in the disposal documentation. The Department made every effort to correct this in FY2009. We updated the policy, performed department-wide physical inventory and the capital asset record has been updated. The Department will continue to perform a routine physical inventory to ensure disposal of capital asset is in compliance with the State Auditor Rule.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

07-5 Journal Entry Processing

CONDITION

Approximately 1,500 journal entries were generated and posted to the general ledger in order to properly reflect accounting data within the SHARE accounting system. A number of journal entries were generated and posted into the SHARE system after the end of the fiscal year. In addition, we noted the following specific items in performing our testwork:

We selected 18 journal entries for testing. Of these, we noted 1 manual journal entries that was posted by the Department of Finance & Administration (DFA) to the department share general ledger, prior to Department verification and approval. No supporting documentation copies from DFA could be provided for this entry.

CRITERIA

Journal entries should be properly supported and approved in advance and posted timely to ensure accurate interim financial reporting. The need for journal entries to correct accounting data should be limited when the underlying transactions are processed and posted correctly.

EFFECT

Significant extra effort was required by the Department in order to compensate for the number and complexity of the journal entries. There were delays in achieving accurate interim financial and federal reporting. Finally, there was increased risk that errors or fraud could go undetected.

CAUSE

The Department continues to work on the system post-implementation and its limitations and configuration. Corrections of errors, posting entries backwards, and posting correcting payroll entries is excessive, although necessary. It appears many items are not posted correctly the first time.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

07-5 Journal Entry Processing (Continued)

RECOMMENDATION

We recommend that the Department create a process to review entries posted by DFA to the Department's books. We recommend that the Department continue to work with DFA to ensure that all information system issues have been addressed and that accounting information generated by the SHARE system is reliable in order to mitigate the necessity to post correcting journal entries in large quantities. Original entries should be coded properly so that adjustments are not required at later dates. In addition, we recommend that the Department maintain backup for all entries posted to the Department.

MANAGEMENT RESPONSE

The Department was able to obtain backup documentations to the journal entries and is making corrections to the payroll records to ensure that the payroll transactions are posted correctly. The Department will make every effort to prepare and post journal entries during the year as errors are identified; however, SHARE's HCM system does not currently provide for the allocation of specific hours to specific projects or grants. Grant managers must manually capture the hours and calculate amounts, and prepare journal entries to transfer expenditures accordingly. The Department is not able to prevent the Department of Finance and Administration from posting journal entries to the general ledger.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

08-2 Untimely Reversions

CONDITION

The Department prepared general fund reversions, but did not submit the required operating transfers within the time frame established by statute. The amounts of \$777,360 and \$1,115,463 for fiscal years 2007 and 2008, respectively, were not reverted within 45 days of the release of the June 30, 2008 audit report. The Department has improved controls over this process and did revert an estimated reversion for 2009 by September 30, 2009.

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 shall revert by September 30, to the general fund. The agency may adjust the reversion within forty five days of release of the audit report for that fiscal year.”

EFFECT

Failure to transfer remaining reverting funds within forty five days is not in compliance with State Statute and may impact State funding.

CAUSE

The Department is improving procedures to ensure completion and compliance with statutory and other year end closing requirements.

RECOMMENDATION

We recommend that the Department continue procedures to post all activity and verify that all accounts are reverted timely in order to meet the statutory deadline for reversions.

MANAGEMENT RESPONSE

The Department concurs with the finding audit finding. The FY09 reversion was submitted by the statutory deadline.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

09-1 SHARE Security Access

CONDITION

A SHARE Security Access query run revealed that an employee was given SHARE Security Access roles in error by the central SHARE security team. The Department discovered the error in 2008 and submitted a request for removal of the roles, which had not been done by June 2009. The roles do not provide any access to the employee that is unauthorized, as the SHARE security access group assigned (the secondary component of access security) was limited to the employee's own data only.

CRITERIA

Adequate security and monitoring of access to an organization's financial or payroll system is a critical component of the organization's internal control structure.

EFFECT

There is an increased risk of unauthorized access to the system; there is also increased risk of fraud.

CAUSE

The Department submits requests of the Department of Finance and Administration (DFA) central SHARE security team that employees terminating their employment be removed from having access to SHARE. In this case, it appears the request form was not processed. The Department did not have adequate procedures in place to ensure that access to the system for employees terminating with the department had been terminated as requested.

RECOMMENDATION

We recommend the Department develop secondary procedures to ensure that removal requests are timely processed by DFA and to check that changes to access occur on a timelier basis.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

09-1 SHARE Security Access (Continued)

MANAGEMENT RESPONSE

Department agrees with the finding. The correction request was submitted again and the security roles have been removed. Security role queries are run periodically to catch such errors in the future.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

09-2 Purchasing and Procurement

CONDITION

During our testing of 39 disbursements, we noted the following exceptions:

1. For one item, the dollar amount per hour per contract did not agree to the total labor amount per the invoice and the invoice did not indicate the number of hours worked.
2. For one item, the client could not provide an IPR for the transaction and we could not determine adherence to the procurement code based on the documentation provided.
3. For one item, the leased equipment was not covered in the state-wide Xerox leases contract that was referenced on the PO. There was no other evidence to demonstrate that the state procurement code was followed.

CRITERIA

GSD 1.4.1 NMAC, Financial Control Division FIN4 and the Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978 exist to provide for the fair and equal treatment of all persons involved in public procurement. Documentation should be sufficient and accurate to support purchases made by the Department.

CAUSE

Controls were not utilized in these instances to ensure proper calculations and documentation.

EFFECT

Compliance with the State Procurement Code could not be determined based on the information provided.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

09-2 Purchasing and Procurement (Continued)

RECOMMENDATION

We recommend that the Department make sure adequate information is gathered from vendors so that an accurate recalculation of amounts being requested to be paid can be verified to be accurate prior to disbursement and that the Department maintains adequate documentation to support disbursements and ensure compliance with the State Procurement Code.

MANAGEMENT RESPONSE

1. The Department agrees that the breakdown for labor amount was not noted on the invoice, nor the number of hours worked; manual calculation was needed to confirm the amount. The Department will make a concerted effort to review invoices for breakdown of invoiced amounts for proper documentation in the future.
2. The Department agrees that the IPR could not be located and that adherence to the Procurement Code for this purchase can not be confirmed. The Department will make a greater effort to ensure that documents are not misfiled and can be located when necessary.
3. The Department provided a copy of the IPR for the Xerox purchase noting the dollar amount, the Purchase Order number, and the Price Agreement contract number associated with the purchase. The Price Agreement is no longer available for review due to expiration, however, all necessary approvals were obtained including the Department of Finance and Administration so there is no evidence that the Procurement Code was not followed.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

09-3 Payroll Calculations

CONDITION

During the testing of 62 employee payroll disbursements, we noted the following:

1. 24 employees appeared to be underpaid for the work week or work period we tested. The Department was unable to recalculate the gross pay and this was due to what appears to be the Human Capital Management (HCM) system's mis-calculation of the FLSA regular rate of pay. This appears to be for non-exempt, >40 & >83 type employees.
2. 1 employee was overpaid for their holiday worked premium pay. This was due to the HCM system's mis-calculation of the premium pay. The employee was overpaid \$2.58.
3. 2 employees were overpaid for regularly scheduled hours. One employee was overpaid for their administrative leave time – they were paid for nine hours of administrative leave and should have only been paid for eight hours. The other employee was overpaid for 7 hours of regularly scheduled pay.
4. 9 employees audited for the accuracy of federal grant reimbursements through the general ledger (GL) revealed possible under or overpayments to the grant.

CRITERIA

According to 1.7.4.14 NMAC:

Section F: Time worked in excess of 40 hours during the designated workweek shall be compensated in accordance with the provision of the *Fair Labor Standards Act* [29 U.S.C. Sections 201 to 262] for *Fair Labor Standards Act* (FLSA) covered, non-exempt employees.

Section I: Paid holiday leave, annual leave, and administrative leave for voting taken in accordance with the provisions of *Subsection C of 1.7.7.14 NMAC* shall also count as time worked in the consideration of overtime for *Fair Labor Standards Act* covered, non-exempt employees.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

09-3 Payroll Calculations (Continued)

EFFECT

It appears employees are over/under paid and as a result, charges to federal grants for match or reimbursements may be inaccurate.

CAUSE

It appears there are errors in the paths of HCM's logic calculation of pay, as well as the Department's input errors. At this time, the exact factors causing the errors are unknown.

RECOMENDATION

We recommend the Department investigate these issues with the Department of Finance and Administration (DFA) and resolve any differences.

MANAGEMENT RESPONSE

DPS agrees with the findings.

1. DPS has on two different occasions, once in 2007 and again in the Spring of 2009, notified the Department of Finance and Administration Central Payroll Bureau that overtime is not always being paid correctly by the system. It is our opinion that the system does not correctly determine the regular rate of pay for the purposes of determining the FLSA rate. DFA responded to the first complaint that the system was correct, but did not provide the proof or the system's rate calculation logic despite repeated requests. In the second inquiry, DPS requested the system calculation again but still has not received it. DPS was asked to provide examples of the problem to DFA instead. The audit findings are being used as the examples which have been now been sent to a DFA Central Payroll employee who has agreed to review the information for accuracy or explain the different results.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

09-3 Payroll Calculations (Continued)

MANAGEMENT RESPONSE (CONTINUED)

2. This issue has also been sent to DFA along with the overtime rate findings for review by Central Payroll staff.
3. Both of these errors were caused by input errors by OT>83 hour officers. The problem stems from the fact that the officers change scheduled work days constantly, but the scheduled days do not show on the timesheet portion of the SHARE HCM system. It is further complicated by the fact that officer schedules vary widely from a standard 8 hour day (e.g. one day may be 12 hours, the next day 4 hours to balance out the 12 hour day to prevent overtime). When entering hours onto the timesheet, the officers enter leave hours on scheduled non-work days or enter excessive leave on scheduled days as they cannot see how many hours they are actually scheduled for on that day.

To address the problem, Human Resource Bureau (HRB) has requested and now received a query of all time reporting codes and hours for all hours submitted, for all DPS employees, each pay period. HRB already does extensive payroll auditing every pay period to catch errors made in overtime/straight time entered by officers under the OT>83 timekeeping group (which is does not have system-run overtime rules processing, so overtime is entered manually). However, identification of the errors illustrated by the audit findings under 3 above requires a far more extensive query and process. This new data set will now be manipulated using Excel pivot tables to enable HR to identify potential overpayments or other reporting errors before they occur. The report will be run every Tuesday morning before final payroll is run, when corrections to the time can still be corrected, and again on the Wednesday following the payroll processing to catch errors made by entering time onto the timesheet on Tuesday morning (these will not show up in the query run on Tuesday).

4. These audit findings are a direct result of the manual process that the Department must use to calculate payroll overtime hours that should be charged to grants for overtime projects. The HCM system does not currently provide for the allocation of specific hours to specific projects or grants, requiring employees throughout the department to manually capture the hours and determine the correct reimbursement rate.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

09-3 Payroll Calculations (Continued)

MANAGEMENT RESPONSE (CONTINUED)

A long term solution which will greatly reduce these errors as well as the errors identified under finding #3 was designed by HRB over two years ago. It would require extensive re-writing of the time and labor module in HCM for the OT>83 hour group. It would also require system changes to the SHARE financials grants and/or projects sub-systems. The project is on hold until funding can be located to pay Oracle system specialists for the changes.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

09-4 Other Cash Controls – Fund 343

CONDITION

Controls for the Department's \$100,000 other cash in Fund 343 could be improved. Although the safe is in a secure building vault, the safe itself is not locked. Forms are available for audits of the cash; however, the last audit count documented of the entire amount was in April 2008.

CRITERIA

Per NMSA 1978 6-5-2, state agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. Additionally, NMSA 1978 6-10-2 states it is the duty of every public official or agency of this state that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money. The cash record shall be balanced daily so as to show the balance of public money on hand at the close of each day's business.

EFFECT

This cash is more susceptible to loss or theft without these controls in place.

CAUSE

Staff is unsure of the combination to the safe and audited counts have not been documented consistently.

RECOMENDATION

We recommend the Department identify or change the combination to the safe and keep it locked to prevent access by those who have access to the vault where the safe is, as well as to prevent other potential losses. Cash count audits should be documented periodically and filed, and activity should be recorded as used, by someone independent of the use of and access to funds. This will serve to prevent any loss and to detect any errors or theft and will assist management with knowledge of the activity and balances of these funds.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

B. FINANCIAL STATEMENT AUDIT – FINDINGS (CONTINUED)

09-4 Other Cash Controls – Fund 343 (Continued)

MANAGEMENT RESPONSE

The Department concurs with the finding. The Department has issued a PO to purchase a new lock and combination. The Department will also perform on a periodic basis cash counts to ensure proper records are being maintained.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS

07-10 Untimely Federal Grants Reporting

Federal Program:

US Department of Justice

2007 Project IMPACT Program – CFDA 16.580

Grant No. 2007-DD-BX-0619ADM, 2007-DD-BX-0619

US Department of Transportation

2008 NMDOT-TSB Operation DWI – CFDA 20.608

Grant No. 08-AL-K8-071

QUESTIONED COSTS None

CONDITION

During our testing of performance reporting for the DWI grants, we found one Superblitz report, out of three tested, that was due January 6, 2008, that was not filed until March 31, 2008. During our testing of financial reporting for the IMPACT grant and our Schedule of Expenditures of Federal Awards (SEFA) testing, we found that the quarter-end June 30, 2009 report was not filed. The Department included expenditures for that quarter on the September 30, 2009 report.

CRITERIA

The DWI grant requires performance reports to be submitted within three days of the operation. The IMPACT grant agreement states that the grantee must comply with the Office of Justice Financial Guide. This guide specifies that Financial Status Reports (also known as the "SF-269A" form or "FSRs") are due every calendar quarter. All reports should be submitted online through the FSR 269 module in the Grants Management System (GMS).

According to OMB Circular A-133, the internal controls over the compliance requirements should include the following “(1) Written policy exists that establishes responsibility and provides the procedures for periodic monitoring, verification, and reporting of program progress and accomplishments. (2) Supervisory review of reports performed to assure accuracy and completeness of data and information included in the reports. (3) Communications from external parties corroborate information included in the reports for Federal awards. (4) Periodic comparison of reports to supporting records.”

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

07-10 Untimely Federal Grants Reporting (Continued)

CRITERIA (Continued)

NMSA 1978 6-5-2 specifies that agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.

EFFECT

Non-compliance with federal requirements may cause a reduction in government funding. When reimbursement requests are filed late, this requires the Department's general fund to subsidize cash to the programs for an extended period of time. It also increases the risk that amounts may not ever be reimbursed if they are not filed timely or if they are not caught and filed at all.

CAUSE

The Department has not implemented adequate controls over reporting and review of deadlines. The IMPACT June 30, 2009 report was completed by the Grants Analyst but never entered into the GMS for reimbursement by Finance due to confusion over the grant name. This was not known or corrected by the Department until we selected this for grants receivable testing of the SEFA.

RECOMMENDATION

We recommend the Department implement policies and procedures, better communication, and clear roles to ensure controls are designed and implemented and compliance is monitored. The Department has attempted to fill all vacancies to make certain they attain accurate reporting and improve cash management. We recommend the Department continue those efforts and develop controls to remind management of financial and performance reporting deadlines.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

07-10 Untimely Federal Grants Reporting (Continued)

MANAGEMENT RESPONSE

The IMPACT grant manager submitted all necessary reports prior to the deadline. Efforts are currently on-going to ensure communication between all DPS entities are improved and that all parties understand the importance of their roles as it relates to submission of quarterly reports as dictated within grant agreements.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

07-13 Grant Corrections – Cash Management (Continued)

RECOMMENDATION

We recommend that the Department establish procedures for federal reporting to include the use of the general ledger.

MANAGEMENT RESPONSE

The Department of Public safety agrees that during fiscal year 2008, Cash Management controls were lacking sufficient checks and balances. Processes have been implemented between Finance, Budget and Grants Management to ensure that expenditures are paid correctly, and any adjusting journal entries are made timely and accurately. The Department of Public Safety also recognizes that correcting entries were not made to the general ledger; however, reconciliations were prepared in order to ensure that revenue requested tied to the actual allowable expenditures incurred at grant end.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

08-8 Access To Recovery-Level Of Effort Certifications

Federal Program:

All major federal programs.

QUESTIONED COSTS Unknown

CONDITION

During our test work of payroll, on 13 out of 25 tested charged to federal programs, we noted that the Department does not maintain after the fact level of effort certification for administrative employees whose full salary is paid with federal grant monies. Additionally, for 2 out of 25 tested, the overtime documentation was not signed by a supervisor.

CRITERIA

Per OMB Circular A-87 attachment B, sec8.h. for time being charged to a single federal award:

“(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.”

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

08-8 Access To Recovery-Level Of Effort Certifications (Continued)

CRITERIA (CONTINUED)

For time being charged to more than one Federal award:

“(5) Personnel activity reports or equivalent documentation must meet the following standards: (a) They must reflect an after-the-fact distribution of the actual activity of each employee, (b) They must account for the total activity for which each employee is compensated, (c) They must be prepared at least monthly and must coincide with one or more pay periods, and (d) They must be signed by the employee. (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes...”

EFFECT

Non-compliance with level of effort requirement can cause a reduction in grant funding.

CAUSE

The Department has not implemented the proper controls to obtain and maintain after the fact documentation to support the work performed for and charged to federal programs.

RECOMMENDATION

We recommend that the Department implement a policy for preparing and maintaining after the fact level of effort certifications in compliance with OMB Circular A-87 for employees whose salary is funded through federal money.

MANAGEMENT RESPONSE

The Department recognizes that sufficient certification for personnel activity does not exist. This has been an on-going challenge as analysts assigned to work on specific grants come and go, and the need to monitor the grant and complete tasks continues after the analysts' departure. The Grants Management Bureau has sought guidance from the federal government as to an effective way to track employee time to work performed and have yet to find a solution. The Grants Management Bureau will continue to work toward the implementation of an effective tracking system.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

08-10 Equipment-Lack of Records of Property Acquired with Federal Awards

Federal Program:

All major federal programs.

QUESTIONED COSTS None

CONDITION

During our walk through over federal equipment internal controls, we noted that the Department does not maintain accurate records over property acquired with federal awards, such that it could be distinguished from property acquired by other means. Procedures do not exist to identify the risk of misappropriation or improper disposition of property acquired with federal awards.

CRITERIA

Per the grant agreements, it is required to retain records for the purpose of undertaking for which such funds were used, the amount and nature of all contributions from other sources. Such records shall be preserved for a period of not less than 6 years. Other specific requirements are identified in individual grant agreements.

EFFECT

If the equipment can not be identified as federal purchased, than it cannot be distinguished from equipment purchased from other sources which is required by the grant agreement. Non-compliance with the equipment requirement may cause a reduction in government funding.

CAUSE

The Department does not have a control system in place to distinguish federal purchased equipment from equipment purchased from other sources.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

**08-10 Equipment-Lack of Records of Property Acquired with Federal Awards
(Continued)**

RECOMMENDATION

We recommend that the Department develop written procedures and implement the controls to identify risks and track federal equipment properly.

MANAGEMENT RESPONSE

The Department of Public Safety's Grants Management Bureau has purchased an asset tracking system (WASP) which is currently being installed in order to properly identify assets purchased, source of funding for which it was obtained, and the location. The Grants Management Bureau will conduct site visits for all sub-grantees to include the physical inventory of all assets purchased with federal funds. Disposition of assets, which no longer have a useful life, will be conducted according to federal guidelines, and documented appropriately.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

**08-11 Equipment-Lack of Physical Inventory Counts of Property Acquired With
Federal Awards**

Federal Program:

All major federal programs.

Department of Transportation

Federal Motor Carrier Safety Administration (MCSAP) – CFDA 20.218

Grant No. BE-05-35-1

QUESTIONED COSTS None

CONDITION

During our walk through over federal equipment internal controls, we noted that the Department does not periodically take a physical inventory count of property acquired with federal awards. For example, while testing MCSAP, we found two vehicle purchases totaling \$42,566 in the general ledger charged to the federal grant that were not on the capital assets listing and were not physically inventoried and reconciled at year-end.

CRITERIA

Per the grant agreements, there are specific requirements to track and keep necessary records for property management. Physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment. This is important for the replacement and disposition of property.

EFFECT

Non-compliance with the physical inventory of equipment requirement may cause a reduction in government funding.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

**08-11 Equipment-Lack of Physical Inventory Counts of Property Acquired With
Federal Awards (Continued)**

CAUSE

The department does not have a control process in place to follow-up on the reconciliation of the physical inventory to verify that the inventory matches the equipment records.

RECOMMENDATION

We recommend that the Department develop written procedures and implement the controls over the physical inventory of federal equipment and not only to take proper physical inventory but to follow-up on the reconciliation to the equipment records.

MANAGEMENT RESPONSE

The Motor Transportation Police will immediately put into place written procedures and controls over the physical inventory of federal equipment. This inventory will be reviewed quarterly for accuracy by a senior level manager with the division.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

08-12 Equipment-Disposals Of Property Acquired With Federal Awards

Federal Program:

All federal programs.

QUESTIONED COSTS None

CONDITION

During our test work over Single Audit common controls, we noted that the Department is not implementing appropriate management review over disposals of property acquired with federal awards to ensure appropriate valuation and reimbursement to federal awarding agencies.

CRITERIA

Per the grant agreements, there are requirements to track and keep necessary records for property management and accounting. This is essential for the replacement and disposition of property according to the individual grant agreements.

EFFECT

Non-compliance with the disposal of federal equipment requirement may cause a reduction in government funding.

CAUSE

The department does not have a control in place to differentiate disposals of federal equipment from other equipment in order to ensure appropriate valuation and reimbursement to federal awarding agencies.

RECOMMENDATION

We recommend that the Department develop written procedures and implement the controls over the disposals of federal equipment in order to ensure proper handling of federal equipment.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

**08-12 Equipment-Disposals Of Property Acquired With Federal Awards
(Continued)**

MANAGEMENT RESPONSE

The Department agrees that grant records should be maintained accurately and in a timely manner. The Department will develop procedures to in order to implement the controls over the disposals of federal equipment to ensure proper handling of federal equipment.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

**08-14 Controls Over Receipt of Reimbursements of Federal Awards – Material
Weakness**

Federal Program:

All federal programs.

US Department of Justice

2007 Project IMPACT Program – CFDA 16.580

Grant No. 2007-DD-BX-0619ADM, 2007-DD-BX-0619

US Office of National Drug Control Policy

2005 & 2008 HIDTA Southern Crime Lab, NMSP, and Investigative Support Center –
CFDA 16.880

Grant No. I5PSNP561Z, I8PSNP561Z

US Department of Transportation

2008 NMDOT-TSB Operation DWI – CFDA 20.608

Grant No. 08-AL-K8-071

QUESTIONED COSTS None

CONDITION

During our testing of grant receivables, we noted the following expenditures prior to June 30, 2009 which were not yet billed at the time of our testing in November 2009:

- IMPACT \$387,288 (see also Finding 07-10)
- HIDTA \$255,059
- NMDOT \$267,697

Therefore, there are not adequate controls to ensure appropriate and timely follow up regarding reimbursements not yet requested or not yet received by the Department.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

**08-14 Controls Over Receipt of Reimbursements of Federal Awards – Material
Weakness (Continued)**

CRITERIA

Per the Office of Budget and Management Circular A-133 and grant agreements: “Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or sub-grant.”

EFFECT

When reimbursement requests are filed late, this requires the Department’s general fund to subsidize cash to the programs for an extended period of time. It also increases the risk that amounts may not ever be reimbursed if they are not filed timely or if they are not caught and filed at all.

CAUSE

The Department has not implemented adequate controls over reporting and review of deadlines. Additionally, The IMPACT June 30, 2009 report was completed by the Grants Analyst but never entered into the Grants Management System (GMS) for reimbursement by Finance due to confusion over the grant name. This was not known or corrected by the Department until we selected this for grants receivable testing of the Schedule of Expenditures of Federal Awards (SEFA). The HIDTA reimbursement requests are under review by the Federal Program Managers before Finance can enter them into the GMS, and it is unknown why the bills for NMDOT have not yet been filed.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

**08-14 Controls Over Receipt of Reimbursements of Federal Awards – Material
Weakness (Continued)**

RECOMMENDATION

We recommend the Department implement policies and procedures, better communication, and clear roles to ensure controls are designed and implemented and compliance is monitored. The Department has attempted to fill all vacancies to make certain they attain accurate reporting and improve cash management. We recommend the Department continue those efforts and develop controls to remind management of financial reporting deadlines and follow up to make sure that reimbursements are requested and in fact received timely.

MANAGEMENT RESPONSE

The Department concurs with the finding and will implement policies and procedures to ensure controls are designed and implemented to ensure compliance with the grant agreement..

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

08-15 Segregation of Duties-Allowable Costs, Cash Management and Reporting

Federal Program:

National Highway Traffic Safety Administration, Department of Transportation
State and Community Highway Safety – CFDA 20.600

2007 NMDOT-TSB Community DWI	20.600	07-CD-05-071	7/28/2006	6/30/2008
2008 NMDOT-TSB Statewide Expanded DWI	20.600	08-AL-K8-071-(I)	10/1/2007	9/30/2008
2008 NMDOT-TSB Operation DWI	20.600	08-AL-K8-071	10/1/2007	9/30/2008
2008 NMDOT-TSB Operation DWI	20.600	08-AL-K8-071	10/1/2007	9/30/2008
2008 NMDOT-TSB Operation Buckle Down	20.600	08-AL-K8-071	10/1/2007	9/30/2008
2009 NMDOT-TSB Statewide Expanded DWI	20.600	09-AL-K8-071-DWI	10/1/2008	9/30/2009
2009 NMDOT-TSB Operation DWI	20.600	09-AL-K8-071-ODWI	10/1/2008	9/30/2009

QUESTIONED COSTS None

CONDITION

The program manager for this grant is solely responsible for expenditures, draw-downs, and project accounting/reporting. There is no mechanism for approval and monitoring of the program manager's duties on a day-to-day basis.

CRITERIA

Good systems of internal controls dictate that duties be appropriately segregated and that adequate management oversight be exercised to ensure adherence to established internal controls.

EFFECT

There is increased risk of reporting and financial errors or fraud going undetected.

CAUSE

Policies and procedures have not been established to ensure a good system over internal controls over the administration of this grant.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

**08-15 Segregation of Duties-Allowable Costs, Cash Management and Reporting
(Continued)**

RECOMMENDATION

We recommend that management establish an adequate system of internal controls for this and all grants.

MANAGEMENT RESPONSE

The Program Manager does not have signature authority alone to process and or submit IPRs without the approval the Deputy Chief and Chief. However, the sub-grant will indicate two separate staff members: one the financial manager and one as the program manager.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

08-16 Supporting Documentation for Matching Requirements

Federal Program:

Federal Motor Carrier Safety Administration, Department of Transportation
National Motor Carrier Safety – CFDA 20.217/8

2005 MCSAP BORDER	20.217	BE-05-35-1	7/1/2005	9/30/2008
2005 MCSAP BORDER IDC	20.217	BE-05-35-1	7/1/2005	9/30/2008
2006 MCSAP BORDER	20.217	BE-06-35-1	7/1/2006	9/30/2007
2007 MCSAP BORDER	20.217	BE-07-35-1	10/1/2006	12/15/2008
2008 MCSAP BORDER	20.217	BE-08-35-1	10/1/2007	9/30/2009
2009 MCSAP BORDER	20.217	BE-09-35-1	10/1/2008	9/30/2010
2007 USDOT CVISN CAD-CDMA	20.217	IT073501G00000	10/1/2007	12/31/2010
2001 Commercial Vehicle ITS	20.217	ITS-7700 (086)	1/1/2004	9/30/2009
03-USDOT CVISN	20.217	MC-99-35-555 A	10/1/2003	9/30/2009
2003 USDOT CVISN	20.217	MC-99-35-555	10/1/2003	9/30/2009
2006 USDOT CVISN	20.218	CVISN ITNM0602	8/16/2006	9/30/2009
2007 MCSAP BASIC	20.218	MC-07-35-1	10/1/2006	12/31/2008
2008 MCSAP BASIC	20.218	MC-08-35-1	10/1/2007	9/30/2009
2009 MCSAP BASIC	20.218	MC-09-35-1	10/1/2008	9/30/2010
2007 MCSAP High Priority	20.218	MCSAP-HP-07	10/1/2007	9/30/2008
2007 MCSAP New Entrant	20.218	MN-07-35-1	10/1/2006	9/30/2008
2008 MCSAP New Entrant	20.218	MN-08-35-1	10/1/2007	9/30/2009
2009 MCSAP New Entrant	20.218	MN-09-35-1	10/1/2008	9/30/2010

QUESTIONED COSTS Unknown

CONDITION

During our testwork to verify the matching requirement, it was noted that while match was met and Finance has been monitoring this requirement, the spreadsheets supporting the match had multitudinous mistakes. We were unable to recalculate the numbers and there were formula errors, totaling approximately \$32,000. Additionally, the spreadsheet showed a certain employee had worked 30 hours @ \$20.08/hr but auditing revealed this employee had not worked on the grant – it was another employee who worked 30 hours @ \$12.96/hr. on the program, causing a difference of \$887 claimed as match.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

08-16 Supporting Documentation for Matching Requirements (Continued)

CRITERIA

Based on the Department of Transportation's A-133 compliance requirements, the matching requirements are established by the grant agreement. Based on the grant agreement, it is noted that the state's matching requirement is \$130,000. It is part of a good control system that this requirement be verifiable from the recipient's records.

EFFECT

By not effectively reviewing the time card records, there could have been a risk of not meeting the matching requirements which can cause a reduction in government funding. Per review of the general ledger, the department far surpassed the matching requirement.

CAUSE

Management does not have proper controls in place to ensure that that supporting documentation for amounts that are used to meet the match is reviewed and monitored by a person independent of working on the grant.

RECOMMENDATION

We recommend that management put in place a system of controls so that supporting documentation for salaries that are used to meet the match have a proper supervisory review to assess the accuracy, allowability and verifiability of the transaction and all calculations are double-checked for accuracy.

MANAGEMENT RESPONSE

The Motor Transportation Police will implement a quarterly review of the labor distribution forms and a reconciliation of the quarterly spreadsheet utilized for matching funds. The program manager will perform the audit prior to quarterly report submission to the respective federal entity.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-3 Payroll Errors

Federal Program:

Office of Environmental Management, Department of Energy
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant (WIPP): States and
Tribal Concerns, Proposed Solutions – CFDA 81.106
Grant No. DE-FC29-88 AK 53813

US Office of National Drug Control Policy
2005 & 2008 HIDTA Southern Crime Lab, NMSP, and Investigative Support Center –
CFDA 16.880
Grant No. I7PSNP561Z, I8PSNP561Z

NM Department of Transportation
2008 NMDOT-TSB Operation Buckle Down – CFDA 20.600
Grant No. 09-AL-K8-071-0DWI

Department of Justice
Justice Assistance Grant Administration – CFDA 16.738
Grant No. 2006-DJ-BX-0054

CONDITION

During the testing of 62 employee payroll disbursements, we noted the following:

1. 24 employees appeared to be underpaid for the work week or work period we tested. The Department was unable to recalculate the gross pay and this was due to what appears to be the Human Capital Management (HCM) system's miscalculation of the FLSA regular rate of pay. This appears to be for non-exempt, >40 & >83 type employees.
2. 1 employee was overpaid for their holiday worked premium pay. This was due to the HCM system's miscalculation of the premium pay. The employee was overpaid \$2.58.
3. 2 employees were overpaid for regularly scheduled hours. One employee was overpaid for their administrative leave time – they were paid for nine hours of administrative leave and should have only been paid for eight hours. The other employee was overpaid for 7 hours of regularly scheduled pay.
4. 9 employees audited for the accuracy of federal grant reimbursements through the general ledger (GL) revealed under or overpayments to the grant.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-3 Payroll Errors (Continued)

CRITERIA

According to 1.7.4.14 NMAC:

Section F: Time worked in excess of 40 hours during the designated workweek shall be compensated in accordance with the provision of the *Fair Labor Standards Act* [29 U.S.C. Sections 201 to 262] for *Fair Labor Standards Act* covered, non-exempt employees.

Section I: Paid holiday leave, annual leave, and administrative leave for voting taken in accordance with the provisions of *Subsection C of 1.7.7.14 NMAC* shall also count as time worked in the consideration of overtime for *Fair Labor Standards Act* covered, non-exempt employees.

EFFECT

It appears employees are over/under paid and as a result, charges to federal grants for match or reimbursements may be inaccurate.

CAUSE

It appears there are errors in the paths of HCM's logic calculation of pay, as well as the Department's input errors. At this time, the exact factors causing the errors are unknown.

RECOMENDATION

We recommend the Department investigate these issues with the Department of Finance and Administration (DFA) and resolve any differences.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-3 Payroll Errors (Continued)

MANAGEMENT RESPONSE

DPS agrees with the findings.

1. DPS has on two different occasions, once in 2007 and again in the Spring of 2009, notified the Department of Finance and Administration Central Payroll Bureau that overtime is not always being paid correctly by the system. It is our opinion that the system does not correctly determine the regular rate of pay for the purposes of determining the FLSA rate. DFA responded to the first complaint that the system was correct, but did not provide the proof or the system's rate calculation logic despite repeated requests. In the second inquiry, DPS requested the system calculation again but still has not received it. DPS was asked to provide examples of the problem to DFA instead. The audit findings are being used as the examples which have been now been sent to a DFA Central Payroll employee who has agreed to review the information for accuracy or explain the different results.
2. This issue has also been sent to DFA along with the overtime rate findings for review by Central Payroll staff.
3. Both of these errors were caused by input errors by OT>83 hour officers. The problem stems from the fact that the officers change scheduled work days constantly, but the scheduled days do not show on the timesheet portion of the SHARE HCM system. It is further complicated by the fact that officer schedules vary widely from a standard 8 hour day (e.g. one day may be 12 hours, the next day 4 hours to balance out the 12 hour day to prevent overtime). When entering hours onto the timesheet, the officers enter leave hours on scheduled non-work days or enter excessive leave on scheduled days as they cannot see how many hours they are actually scheduled for on that day.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-3 Payroll Errors (Continued)

MANAGEMENT RESPONSE (CONTINUED)

To address the problem, Human Resource Bureau (HRB) has requested and now received a query of all time reporting codes and hours for all hours submitted, for all DPS employees, each pay period. HRB already does extensive payroll auditing every pay period to catch errors made in overtime/straight time entered by officers under the OT>83 timekeeping group (which does not have system-run overtime rules processing, so overtime is entered manually). However, identification of the errors illustrated by the audit findings under 3 above requires a far more extensive query and process. This new data set will now be manipulated using Excel pivot tables to enable HR to identify potential overpayments or other reporting errors before they occur. The report will be run every Tuesday morning before final payroll is run, when corrections to the time can still be corrected, and again on the Wednesday following the payroll processing to catch errors made by entering time onto the timesheet on Tuesday morning (these will not show up in the query run on Tuesday).

4. These audit findings are a direct result of the manual process that the Department must use to calculate payroll overtime hours that should be charged to grants for overtime projects. The HCM system does not currently provide for the allocation of specific hours to specific projects or grants, requiring employees throughout the department to manually capture the hours and determine the correct reimbursement rate.

A long term solution which will greatly reduce these errors as well as the errors identified under finding #3 was designed by HRB over two years ago. It would require extensive re-writing of the time and labor module in HCM for the OT>83 hour group. It would also require system changes to the SHARE financials grants and/or projects sub-systems. The project is on hold until funding can be located to pay Oracle system specialists for the changes.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-5 Observance of Period of Availability

Federal Program:

Department of Homeland Security

State Homeland Security Program (SHS) – CFDA 97.067

Office of Environmental Management, Department of Energy

Transport of Transuranic Wastes to the Waste Isolation Pilot Plant (WIPP): States and Tribal Concerns, Proposed Solutions – CFDA 81.106

QUESTIONED COSTS \$1,331

CONDITION

During our test work of the SHS and WIPP grants, we noted one invoice for \$40 that was paid for services incurred outside of the period of availability for WIPP and \$1,291 paid for payroll after the grant expiration for SHS.

CRITERIA

The A-102 Common Rule and OMB Circular A-110 require that non-Federal entities receiving Federal awards (i.e., the Department’s management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

According to OMB Circular A-133 Compliance Supplement, Part 6, the internal controls over the compliance requirements should include the following: “(1) Timely communication of period of availability requirements and expenditure deadlines to individuals responsible for program expenditure, including automated notifications of pending deadlines. (2) Periodic reporting of unliquidated balances to appropriate levels of management and follow up. (3) End of grant period cut-offs are met by such mechanisms as advising program managers of impending cut-off dates and review of expenditures just before and after cut-off date.”

Per OMB Circular A-110 2 CFR Sec. 215.28: “Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency.”

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-5 Observance of Period of Availability (Continued)

EFFECT

The grant agreements specify the period of performance and clearly indicate that any amount of funding which is not spent will be reverted back to the federal agencies. Any expenditures which are made outside the period of performance will not be reimbursed by the funding agencies.

CAUSE

The Department does not have written policies or procedures for the period of performance and the relation of that time frame to how money from the grants may be spent. There appears to be a lack of communication between Program Staff, Grants Management, and Finance regarding the deadlines for expenditures and expiration of grants. There is then a misunderstanding that the money will be reimbursed to the general fund by the funding agency when the quarterly requests for reimbursement are submitted.

RECOMMENDATION

Since it is the grantee's responsibility to monitor the period of performance, we recommend that the Department create written policies and procedures which incorporate all aspects of the grant administration for all employees involved with the grants awarded. There should also be a more open and consistent line of communication and definition of roles between all of the departments involved in order to ensure the controls over compliance requirements are ensuring the agency's compliance with the grant requirements.

MANAGEMENT RESPONSE

The Department concurs with the audit finding and will ensure there is consistent communication throughout the Department in order to ensure there are controls over compliance requirements of all grants.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

**09-6 Schedule of Expenditures of Federal Awards (SEFA) – Deferred Revenues –
Cash Management**

Federal Program:

NM Department of Transportation
2008 NMDOT-TSB Operation Buckle Down – CFDA 20.600
Grant No. DPSTSB08OPRF071

Department of Health
2008 DOH Alcohol Enforcement & 2009 DOH Tobacco Enforcement – CFDA 93.000
Grant No. DPSDOHSID08ALCO & DOH09SIDTOBACCO

QUESTIONED COSTS None

CONDITION

During our testing of the Schedule of Expenditures of Federal Awards (SEFA), we found that the Department is lacking controls to identify and track funds which are advanced before grant expenditures. Deferred revenues were not recorded for these grants in the amount of \$101,109.

CRITERIA

The A-102 Common Rule and OMB Circular A-110 require that non-Federal entities receiving Federal awards (i.e., the Department’s management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

GASB 33 Summary and Appendix C paragraph 103 and revenue recognition for grants indicates that when eligibility requirements are met, advances and payments for use in following periods should be reported as deferred revenues. When modified accrual accounting is used, the resources should also be available. Additionally, OMB Circular A-102 Cash Management requirements state that “Agency methods and procedures for transferring funds shall minimize the time elapsing between the transfer to recipients of grants and cooperative agreements and the recipient’s need for the funds.”

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

**09-6 Schedule of Expenditures of Federal Awards (SEFA) – Deferred Revenues –
Cash Management (Continued)**

EFFECT

The SEFA and accounting records may be in error.

CAUSE

The Department has new staff in Finance that was unfamiliar with these requirements. Additionally, without SHARE's grants module working correctly, it is extremely cumbersome for the Department to track and correct the balances by project.

RECOMMENDATION

We recommend that Finance continue their clean-up and work on the SEFA and related records. We also recommend that the CFO implement a process by which all grant amounts received in advance are communicated to Program Managers, Grants Management, and most importantly Finance for proper accounting and tracking.

MANAGEMENT RESPONSE

The Department concurs with the finding and will develop procedures to ensure that all grant amounts received in advance are communicated to Program Managers, Grants Management, and Finance for proper accounting and tracking.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-7 SEFA – Adjustments/Cash Management – Material Weakness

Federal Program:

All major federal programs.

QUESTIONED COSTS Unknown

CONDITION

Although the Department has greatly improved the accuracy of the Schedule of Expenditures of Federal Awards (SEFA), we noted footing errors and 10 adjustments to the final SEFA provided, as well as lag time between the expenditures being paid for by the general fund, adjustments posted to the individual grant projects, request for reimbursement of those funds, and follow through on the receipt of the reimbursements. We noted \$339,880 over reported and \$282,184 under reported on various grants at June 30, 2009 which is to be corrected on the September 30, 2009 quarter end reimbursement requests due to later postings.

CRITERIA

The A-102 Common Rule and OMB Circular A-110 require that non-Federal entities receiving Federal awards (i.e., the Department's management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good accounting practices calls for accurate and timely records and NMSA 1978 6-5-2 specifies that agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.

EFFECT

The Department's general fund pays for federal expenditures and does not receive reimbursement for those funds timely.

CAUSE

The cause of this finding is likely due to inadequate training of staff and the SHARE grants module not posting activities correctly.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-7 SEFA – Adjustments/Cash Management – Material Weakness (Continued)

RECOMMENDATION

We recommend the Department train staff and document procedures and roles for greater coordination and timely follow through on grant expenditures and reimbursements.

MANAGEMENT RESPONSE

The Department agrees to document procedures and roles for greater coordination and follow through on grant expenditures and reimbursements timely to ensure reimbursements are received timely.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-8 Excess Reimbursements – Activities Allowed and Unallowed

Federal Program:

NM Department of Transportation
Operations Buckle Down & DWI – CFDA 20.600
Grant No. 08-AL-K8-071, 09-AL-K8-071-ODWI

QUESTIONED COSTS Unknown

CONDITION

During our testing of the Schedule of Expenditures of Federal Awards (SEFA), we noted that the Department does not have controls in place to ensure that excess reimbursements are spent according to the grant agreements. The DWI and Buckle Down grants, for example, have fixed reimbursement amounts set for each operation but the Department is not recording deferred revenues for the amounts reimbursed over their costs and is not spending the excess monies in the hierarchy of allowable costs as stated in the grant agreements.

CRITERIA

NMSA 1978 6-5-2 specifies that agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. The A-102 Common Rule and OMB Circular A-110 require that non-Federal entities receiving Federal awards (i.e., the Department's management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

For example, the DWI 09-AL-K8-071 grant agreement specifies that after all checkpoint funds have been satisfied, excess funds are to be spent on activities related to ODWI program functions or related to DWI activities, including, but not limited to: overtime for officers to attend court hearings resulting from DWI arrests made while conducting ODWI enforcement activities, time/overtime for administrative/non-enforcement by directly assisting with the enforcement activities or by the enforcement staff conducting administrative duties. Excess funds can also be used to purchase DWI-related equipment and supplies.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-8 Excess Reimbursements – Activities Allowed and Unallowed (Continued)

EFFECT

Since the excess reimbursements remain in the general fund, the Department has likely used federal funds for non-federal expenditures.

CAUSE

Staff is not well-trained on the grant requirements of fixed reimbursements.

RECOMMENDATION

We recommend the Department implement policies and procedures, better communication, and clear roles to ensure all expenditures are for allowable costs during the period of availability and are reimbursed timely before grants end.

MANAGEMENT RESPONSE

The Department concurs with the finding and will implement policies and procedures to ensure that all expenditures are for allowable costs during the period of availability.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-9 Lack of Written Policies & Procedures – All Compliance Areas

Federal Program:

All major federal programs.

QUESTIONED COSTS None

CONDITION

There is a general lack of written policies and procedures and defined roles determined by the Department for federal grants to ensure compliance with the numerous laws and regulations governing federal programs.

CRITERIA

NMSA 1978 6-5-2 specifies that agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. The A-102 Common Rule and OMB Circular A-110 require that non-Federal entities receiving Federal awards (i.e., the Department's management) establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

According to OMB Circular A-133 Compliance Supplement, Part 6, the internal controls over the compliance requirements should include the following "(1) Written policy exists that establishes responsibility and provides the procedures for periodic monitoring, verification, and reporting of program progress and accomplishments. (2) Supervisory review of reports performed to assure accuracy and completeness of data and information included in the reports. (3) Communications from external parties corroborate information included in the reports for Federal awards. (4) Periodic comparison of reports to supporting records."

EFFECT

There is increased risk of noncompliance with regulations, an increased risk of errors or fraud, and communication challenges among the various departments.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2009**

**C. SINGLE AUDIT COMPLIANCE - FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

09-9 Lack of Written Policies & Procedures – All Compliance Areas (Continued)

CAUSE

Until FY09, the Department has suffered from high turnover in Finance and Grants Management.

RECOMMENDATION

We recommend the Department implement written policies and procedures, better communication, and clear roles to ensure controls are designed and implemented and compliance is monitored.

MANAGEMENT RESPONSE

Management agrees that policies and procedures need to be developed and implemented to ensure consistency throughout the Department. Management will assemble representatives from all divisions to begin the process of developing those policies and procedures which are lacking.

**STATE OF NEW MEXICO
DEPARTMENT OF PUBLIC SAFETY
EXIT CONFERENCE
Year Ended June 30, 2009**

An exit conference was held on December 8, 2009. Attending were the following:

Representing the Department of Public Safety:

John Denko, Cabinet Secretary
Mike Mier, Deputy Secretary – Administration
Forrest Smith, Director
Ted Brancy, Deputy Chief/Chief of Staff
Ron Cordova, Major
Herald Lopez, CFO Acting ASD Director
Stacy Lopez, Finance Bureau Chief
Louise Riebe, Budget Director
Evelyn Romero, Grants Mgt. Bureau

Representing Moss Adams LLP:

Larry Carmony, Partner
Audrey Jaramillo, Manager
George Seus, Staff

The financial statements were prepared with the assistance of Moss Adams LLP.