



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

**FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS**

June 30, 2012

atkinson

PRECISE. PERSONAL. PROACTIVE.

TABLE OF CONTENTS

INTRODUCTORY SECTION

Official Roster.....1

FINANCIAL SECTION

Report of Independent Certified Public Accountants.....2-4
Management’s Discussion and Analysis (Unaudited)5-16

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Statement of Net Assets17
Statement of Activities18

Governmental Funds Financial Statements

Balance Sheet - Governmental Funds19
Reconciliation of the Balance Sheet to the Statement of Net Assets -
Governmental Funds20
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds21
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities -
Governmental Funds22

Major Fund - Schedule of Revenues and Expenditures - Budget and
Actual (Budgetary Basis) - General Fund - Fund 128 - All Appropriations.....23

Major Special Revenue Fund - Schedule of Revenues and Expenditures
Budget and Actual (Budgetary Basis) - Federal Forfeitures - Fund 343
U.S. Department of Justice.....24

Major Special Revenue Fund - Schedule of Revenues and Expenditures
Budget and Actual (Budgetary Basis) - Federal Forfeitures - Fund 719
U.S. Treasury25

Statement of Fiduciary Assets and Liabilities - Agency Funds26

Notes to Financial Statements.....27-58

TABLE OF CONTENTS – CONTINUED

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

Major Governmental Funds

General Fund

Balance Sheet - All Accounts	59
Statement of Revenues, Expenditures and Changes in Fund Balance - All Accounts	60
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Public Safety Program Support - Fund 128 P503	61
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Law Enforcement Program - Fund 128 P504	62
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Motor Transportation Program - Fund 128 P781	63
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Special Multi-Year Appropriation - Replace NMLETS - Fund 128 Z070730	64
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Special Multi-Year Appropriation - Wide Area Network Circuits - Fund 128 Z20529	65
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Supplemental Appropriation - Fuel for Law Enforcement - Fund 128 Z20629	66

Capital Projects Fund

Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) Law Enforcement Vehicles - Fund 090 A093133	67
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) DNA ID System - Fund 090 A073048	68
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) NMSP Aircraft Replacement - Fund 090 A075646	69
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) NMSP Defibrillators - Fund 090 A075648	70
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Fund 090 - All Open Appropriations	71

TABLE OF CONTENTS – CONTINUED

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS – CONTINUED

Capital Projects Fund - Continued

Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) Law Enforcement Vehicles - Fund 892.....	72
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) Law Enforcement Vehicles - Fund 931	73
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) NMSP Law Enforcement Vehicles - Fund 931 A111304	74
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) MTP Law Enforcement Vehicles - Fund 931 A111305	75

Non-Major Governmental Funds

Combining Balance Sheet.....	76-77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	78-79

Major Special Revenue Funds

Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - State Chemist Fees - Fund 272.....	80
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - CSA State Forfeitures - Fund 342	81

Special Revenue Funds

Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Peace Officers' Survivors - Fund 346.....	82
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Concealed Handgun Carry - Fund 594.....	83
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Orphan Hazardous Materials - Fund 670.....	84
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Advanced Training Fees - Fund 786.....	85
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - Special Donations - Fund 882.....	86

TABLE OF CONTENTS – CONTINUED

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS – CONTINUED

Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - American Recovery and Reinvestment Act - Fund 890 Program Recap	87
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - American Recovery and Reinvestment Act - Fund 890 US Department of Justice - Justice Assistance Grant	88
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - American Recovery and Reinvestment Act - Fund 890 R1DOJ00001 State Government Sub-Grants	89
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - American Recovery and Reinvestment Act - Fund 890 R1DOJ10001 Local Government Sub-Grants	90
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - American Recovery and Reinvestment Act - Fund 890 R1DOJ10001 Administration	91
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - American Recovery and Reinvestment Act - Fund 890 Government Services Fund	92
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - American Recovery and Reinvestment Act - Fund 890 R1ED000002 GSF - Patrol Vehicles and Fuel	93
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - American Recovery and Reinvestment Act - Fund 890 R1ED000002 GSF - Fuel	94
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - American Recovery and Reinvestment Act - Fund 890 R1ED000002 GSF - Animal Protection	95
Schedule of Revenues and Expenditures Budget and Actual (Budgetary Basis) - American Recovery and Reinvestment Act - Fund 890 R1ED002002 GSF - IT Criminal Justice Data Sharing	96

TABLE OF CONTENTS – CONTINUED

Fiduciary Funds

Statement of Fiduciary Assets and Liabilities - Agency Funds.....97

SUPPLEMENTAL INFORMATION

Schedule of Changes in Fiduciary Net Assets and Liabilities - Agency Funds.....98

Schedule of Cash.....99

Schedule of Joint Agreements and Memorandums of Understanding 100-104

SINGLE AUDIT INFORMATION

Schedule of Expenditures of Federal Awards..... 105-106

Notes to Schedule of Expenditures of Federal Awards 107-109

Independent Auditor’s 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* 110-111

Independent Auditor’s Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133..... 112-113

Summary of Audit Findings114

Schedule of Findings and Questioned Costs 115-119

Exit Conference.....120

State of New Mexico
Department of Public Safety

OFFICIAL ROSTER

June 30, 2012

Name	Title
Gorden E. Eden Jr.	Cabinet Secretary
Robert Shilling	Deputy Secretary-Operations/ Chief-State Police Division
Patrick Mooney	Deputy Secretary-Administration

Division Directors

Kathy Griego	Administrative Services Division
Bill Hubbard	Special Investigations Division
Louis Medina	Training and Recruitment Division
Patrick Mooney	Technical Support Division
Eric Shelton	Motor Transportation Division
Ron Burton	Information Technology Division



CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS

ATKINSON & CO. LTD.
6501 AMERICAS PKWY NE
SUITE 700
ALBUQUERQUE, NM 87110

T 505 843 6492
F 505 843 6817

ATKINSONCPA.COM

PO BOX 25246
ALBUQUERQUE, NM 87125

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Mr. Gorden E. Eden Jr., 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, 2012, 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, 2012, 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.

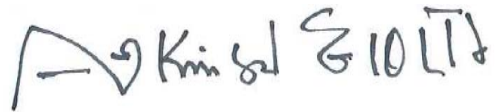
As discussed in Note B1, the financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of the governmental activities, major funds and aggregate remaining fund information of the State of New Mexico that is attributable 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, 2012, 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, 2012, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In 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 fund of the Department as of June 30, 2012, and the respective changes in the financial position and the budgetary comparisons of the major capital projects fund and all non-major funds for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2012, 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 scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Changes in Assets and Liabilities – Agency Funds, Schedule of Cash, Schedule of Expenditures of Federal Awards, and Statement of Fiduciary Assets and Liabilities – Agency Funds listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Atkinson & Co., Ltd.", with a stylized logo to the left consisting of a triangle and a circle.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
November 30, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2012

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, 2012. The MD&A also 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2012

- **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 all funds and dedicated appropriations. A separate column is presented to report any variances between the final budget and actual amounts.
- **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:

	Current Year June 30, 2012	Prior Year June 30, 2011	Increase or (Decrease)	Percent Change
Assets				
Current assets	\$ 16,932,854	\$ 19,799,952	\$ (2,867,098)	(14.5) %
Capital assets	18,174,828	17,811,852	362,976	2.0 %
Total assets	35,107,682	37,611,804	(2,504,122)	(6.7) %
Liabilities				
Current liabilities	14,709,609	17,162,963	(2,453,354)	(14.3) %
Long-term liabilities	2,020,592	2,101,326	(80,734)	(3.8) %
Total liabilities	16,730,201	19,264,289	(2,534,088)	(13.2) %
Net assets				
Invested in capital assets	18,174,828	17,811,852	362,976	2.0 %
Restricted	-	-	-	0.0 %
Unrestricted	202,653	535,663	(333,010)	(62.2) %
Total net assets	\$ 18,377,481	\$ 18,347,515	\$ 29,966	0.2 %

State of New Mexico
Department of Public Safety

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2012

	Current Year June 30, 2012	Prior Year June 30, 2011	Increase or (Decrease)	Percent Change
Program revenues and expenses				
Program revenues	\$ 17,650,928	\$ 22,676,701	\$ (5,025,773)	(22.2) %
Program expenses	<u>114,050,313</u>	<u>117,862,974</u>	<u>(3,812,661)</u>	<u>(3.2) %</u>
Net revenues (expenses)	(96,399,385)	(95,186,273)	(1,213,112)	1.3 %
General revenues (expenses)				
General Fund appropriations	90,618,800	88,085,000	2,533,800	2.9 %
Road Fund appropriations	6,846,000	6,938,000	(92,000)	(1.3) %
Other sources	288,858	548,938	(260,080)	(47.4) %
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0 %</u>
Total general revenues (expenses)	97,753,658	95,571,938	2,181,720	2.3 %
Gain or (loss) on disposal of capital assets	(3,796)	339,441	(343,237)	(101.1)
Reversion to State General Fund	<u>(1,320,511)</u>	<u>(3,922,355)</u>	<u>2,601,844</u>	<u>(66.3) %</u>
Change in net assets	29,966	(3,197,249)	3,227,215	(100.9) %
Beginning in net assets	<u>18,347,515</u>	<u>21,544,764</u>	<u>(3,197,249)</u>	<u>(14.8) %</u>
Ending net assets	<u>\$ 18,377,481</u>	<u>\$ 18,347,515</u>	<u>\$ 29,966</u>	<u>0.2 %</u>

Significant factors impacting the Department's financial position and results of operations during the year ended June 30, 2012 are as follows:

Total Assets decreased by \$2,505,122 or 6.7 percent as follows:

- **Current Assets** decreased by \$2,867,098 or 14.5 percent due to reductions in interest in the State Treasurer's General Fund Investment Pool, decreases in federal and state grant receivables as the result of enhanced draw downs and reimbursement requests, and a decrease in the Department's Due From Other Funds.
- **Capital Assets** increased by \$362,976 or 2.0 percent due to the purchase of law enforcement vehicles with capital outlay appropriations which were offset by a loss on the sale of the New Mexico State Police's Adams A-500 airplane. The airplane, purchased in FY 2008 for \$1,200,000, had a net book value of \$743,014 on November 4, 2011 when it was sold for \$134,775 which resulted in a loss of \$608,239.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2012

Total Liabilities decreased by \$2,534,088 or 13.2 percent as follows:

- **Current Liabilities** decreased by \$2,453,354 or 14.3 percent primarily due to the reduction in Due To State General Fund for the Department's FY 2012 reversion.
- **Long-Term Liabilities** decreased by \$80,734 or 3.8 percent due to a reduction in compensated absences due after one year.

Total Net Assets increased by \$29,966 or .2 percent as follows:

- **Investment in Capital Assets** increased by \$362,976 or 2.0 percent due to the purchase of law enforcement vehicles with capital outlay appropriations.
- The Department had no **Restricted Net Assets** at June 30, 2012 or June 30, 2011.
- **Unrestricted Net Assets** decreased by \$333,010 or 62.2 percent.

Program Activity changed as follows:

- **Program Revenues** decreased by \$5,025,773 or 22.2 percent for federal grant revenues from the United States Department of Justice for the Justice Assistance Grant, DNA Backlog and DNA Post-Conviction Testing; and from the United States Department of Transportation for Federal Motor Carrier Safety Administration and Commercial Vehicle Information Systems and Network grants.
- **Program Expenses** decreased by \$3,812,661 or 3.2 percent primarily due to capital outlay appropriations to purchase law enforcement vehicles.
- **Deficiency of Program Revenues over Program Expenses** increased by \$1,213,112 or 1.3 percent. See discussion above.
- **General Fund Appropriations** increased by \$2,533,800 or 2.9 percent over the prior year's appropriations. Two capital outlay appropriations totaling \$4,000,000 to purchase law enforcement vehicles, a \$200,000 special appropriation to upgrade wide area network circuits, and a \$200,000 supplemental appropriation vehicle fuel were offset by a reduction of \$1,866,200 to the Department's operating budget appropriation.
- The **Road Fund Appropriation** decreased by \$92,000 or 1.3 percent under the prior year's appropriation primarily due to a reduction for PERA employer contributions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2012

- **Other Sources** decreased by \$260,080 or 47.4 percent due to a reduction in severance tax bond capital outlay appropriations to purchase law enforcement vehicles. There were no benefit payouts from the Peace Officers Survivors Fund during FY 2012.
- The Department's reversion of \$1,320,511 is recorded as a **Reversion to State General Fund** for \$1,089,753 for the general fund appropriation, one data processing appropriation, two capital outlay appropriations, and other state funds. The Road Fund reversion of \$230,758 is recorded as a Due To Other State Agencies to the New Mexico Department of Transportation. The total reversion decreased by \$2,601,844 for a 66.3 percent reduction.
- **Ending Net Assets** increased by \$29,966 or .2 percent. The Department had no restatements to their financial statements. 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, 2012	Prior Year June 30, 2011	Increase or (Decrease)	Percent Change
General Fund	\$ 369,453	\$ 879,801	\$ (510,348)	(58.0) %
Special revenues	3,855,957	3,845,842	10,115	0.3
Capital projects	100,899	100,899	-	0.0 %
Total	\$ 4,326,309	\$ 4,826,542	\$ (500,233)	(10.4) %

The decrease in the General Fund is due to one data processing appropriation whose revenue was accrued in previous fiscal years, but not fully expended until FY 2012, and offset by one special appropriation whose revenue was received during the fiscal year, but will not be expended until FY 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2012

GENERAL BUDGETARY HIGHLIGHTS

The General Appropriation Act, Laws of 2011, First Session, Chapter 179, Section 4 included an FY 2012 general fund appropriation of \$86,881,700 for the Department. Two Section 10 appropriation reductions totaling \$559,000 (\$532,800 for PERA employer contributions and \$26,200 for Risk Management Division's unemployment insurance premium) reduced the Department's general fund appropriation to \$86,322,700. A second PERA rate reduction of \$103,900 was implemented in June 2011 for a revised general fund appropriation of \$86,218,800. The FY 2012 appropriation was \$1,866,200 less than the FY 2011 appropriation of \$88,085,000 for a 2.0% reduction.

Original revenues and expenditures for the Department's Fund 12800 operating budget were increased by \$452,563 during FY 2012 from \$127,165,900 to \$127,618,463 for three activities: \$205,000 for the U.S. Department of Justice's Justice Assistance Grant, \$50,000 for warrant enforcement from the N.M. Administrative Office of the Courts, and \$197,563 on auction proceeds for two aircraft.

The Department received two appropriations totaling \$400,000 during FY 2012: a \$200,000 special appropriation to upgrade wide area network circuits throughout the State that ends on June 30, 2013; and a \$200,000 supplemental appropriation for fuel for law enforcement vehicles that ended on June 30, 2012.

The Department received one American Recovery and Reinvestment Act (ARRA) grants from the State's Government Services Fund for \$130,000 to provide connectivity and access to criminal justice data.

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

DEPARTMENT ACCOMPLISHMENTS

The Grant Management Bureau revised and streamlined grant application processes for both internal and external partners to enhance the financial and programmatic oversight procedures, developed procedures for the management and oversight of grant programs, and implemented an extensive customer service and grant management training program for existing and potential partners.

The Human Resources Bureau implemented the second phase of a dispatcher pay improvement project to raise the entry dispatcher salary offered and bring dispatcher pay closer to market averages.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2012

The Human Resources Bureau is currently implementing an enhanced SHARE time & labor program to reduce payroll errors and audit findings while significantly reducing man-hours required to track and report on grants and projects.

Administrative Services Division staff revised financial, procurement, and human resource management processes to reduce manager and employee time spent to receive support services.

The Law Enforcement Program (LEP) continues to focus on and address issues impacting public safety. DWI and the related damage, injuries and deaths caused by DWI continue to be a primary focus. The LEP has implemented data driven tactics in hopes of better utilizing our limited resources in combating this problem. New Mexico State Police (NMSP) commanders are required to analyze data provided by the New Mexico Department of Transportation, and to deploy and direct their resources at identified problem areas. The Special Investigations Division (SID) is also directing their limited resources at identified problem areas and establishments. During FY12, the LEP spearheaded or participated in over 220 DWI checkpoints and over 1,000 DWI saturation patrols.

The LEP continues to provide professional expertise in the area of criminal investigation to any agency requesting our assistance. Crime scene investigation, criminal investigation, and public corruption investigations highlight just a few areas of expertise where the LEP excels.

Clearance rates for homicide investigations continue to be in the 90 percent-plus range which is well above the national average of approximately 63 percent.

Being a border state with significant overdose and abuse issues, the LEP continues to focus on, and make major impacts in the area of drug interdiction. Major seizures and cases have been, and continue to be, made including prescription pills and heroin which are two drugs impacting public safety and health in New Mexico. Interdiction efforts of the LEP are noteworthy and exceptional, even when compared to our High Intensity Drug Trafficking Area (HIDTA) neighbor states of Texas, Arizona, and California.

The LEP has successfully, and continues to collaborate with our tribal partners throughout the State. Special Law Enforcement Commissioning (SLEC) and Memorandums of Understanding (MOU) continue to be pursued to enhance public safety everywhere in New Mexico. The LEP recently successfully negotiated a new MOU with the Navajo Nation for cross commissioning of officers as well.

NMSP was reaccredited nationally by the Commission for Accreditation of Law Enforcement Agencies (CALEA). Reaccreditation confirms the Department's commitment to professionalism and high standards by employing and training on nationally recognized policies and procedures.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2012

The Motor Transportation Police (MTP) is recognized nationally for its drug interdiction accomplishments since 1998:

- 200,029 pounds of drugs seized (excluding 6.25 gallons of PCP)
- \$267,887,644 value based on Drug Enforcement Agency guidelines
- 461 major narcotics cases
- 30 commercial vehicle seizures

The MTP was recently recognized as a nationwide leader in reducing truck crashes by the American Transportation Research. The success is a result of having an effective traffic enforcement program aimed at reducing the number of truck crashes.

The MTP was recently recognized by the Federal Motor Carrier Safety Administration (FMCSA) as having the most comprehensive compliance review program among states with comparable populations. The Compliance Review Program is vital to highway safety as it enables the agency to target unsafe motor carriers for in-depth safety and compliance audits. Carriers that fail to comply with state and federal laws are placed out-of-service and prohibited from operating until they can demonstrate their safety management practices are in compliance and it is determined that the carrier is no longer a hazard to the public.

New Mexico's overall State Safety Data Quality (SSDQ) rating advanced to "Green" status which is a result of a comprehensive and dedicated effort by agency personnel to attain this rating throughout the calendar year. This is the first time this level rating has been attained in New Mexico since the inception of the "color" ratings for data quality.

Program staff were instrumental in working with the State Legislature in passing new laws over the past several years that allow more effective enforcement of the Weight Distance Tax Act. Besides being able to detain motor carriers who are delinquent in their weight distance taxes and issuing criminal citations to motor carriers who are delinquent in quarterly tax filings, motor carriers are now subject to civil penalties for under-reporting mileage and/or weight. Because of heightened field enforcement, the State is seeing greater compliance as evidenced by the declining number of non-filers and the relative stabilization of weight distance tax collection.

Special funding was obtained to purchase and install license plate readers (LPR) to identify motor carriers that are delinquent or noncompliant with weight distance and trip taxes. LPR data is utilized by the Taxation and Revenue Department to identify motor carriers who are not claiming accurate mileage on their quarterly reports. LPR provides real-time information on stolen vehicles, international registration plan, international fuel tax agreement, unified carrier registration and motor carrier safety ratings to include areas of deficiencies. MTP personnel now have the ability to select vehicles for inspections based on the safety rating and focus on motor carriers that are more likely to cause crashes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2012

MTP was the recipient of the 2012 Peter K. O'Rourke Special Achievement Award given by the Governors Highway Safety Association for its creative approach to reducing truck crashes because of their deployment of the Smart Roadside technology. The Smart Roadside program uses a data-driven strategy that has revolutionized the enforcement of commercial vehicle laws in New Mexico. By collecting and analyzing data through strategically placed remote sensors, the Program streamlined commercial vehicle screening methods and maximized the cost effectiveness of federal and state commercial vehicle enforcement funds.

MTP will deploy a new electronic screening system utilizing Smartphones that will provide "real-time" information on carriers, vehicles, and drivers allowing MTPD employees to concentrate on "high risk" carriers and drivers.

MTP sponsors Police Explorer Post #2003 in conjunction with the Gadsden Independent School District's Criminal Justice Program. The program provides career orientation experiences, leadership opportunities, and community service activities. The primary goals of the program are to help young adults choose a career path within law enforcement, and to challenge them to become responsible citizens of their communities and the nation.

The Forensic Laboratory Bureau (FLB) filled vacancies that reduced case backlogs. In addition, through the use of federal grants (Paul Coverdell Forensic Science Improvement and DNA Backlog Reduction/Capacity Enhancement) and contractual services, backlogs are under control, but requests for service continue to increase.

The Law Enforcement Records Bureau (LERB) received a National Criminal History Improvement Program (NCHIP) grant to update all criminal history records to ensure they reflect current information and are reflective of all available information that can be obtained from criminal justice and law enforcement agencies at the local and federal level. LERB also received the Adam Walsh grant to install the Sex Offender Watch system enabling each reporting agency access to their individual data which will improve the accessibility of sex offender information at the local level.

The Information Technology Division (ITD) rolled out the eCrash System to New Mexico State Police and Motor Transportation vehicles providing electronic crash reporting and online access to crash reports for the public.

The Training and Recruiting Division (TRD) revised the New Mexico Law Enforcement Academy's (NMLEA) Certification By Waiver program to accommodate well-qualified veterans, and to recognize federal agency training.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2012

PERFORMANCE MEASURES

The Department collects data to measure success in meeting performance measure targets to address requirements of the Accountability in Government Act (AGA), Sections 6-3A-1 through 6-3A-8 NMSA 1978. Performance measures outlined in the General Appropriation Act, Laws of 2011, First Session, Chapter 179, Section 4 for the year ended June 30, 2012 were:

<u>TYPE</u>	<u>MEASURE</u>	<u>TARGET</u>	<u>RESULT</u>
Law Enforcement Program:			
Output	Number of driving-while-intoxicated arrests per year.	3,200	2,052
Output	Number of first-time driving-while-intoxicated arrests per year.	2,000	1,289
Output	Number of repeat driving-while-intoxicated arrests per year.	1,200	763
Output	Number of driving-while-intoxicated crashes investigated per year.	200	204
Output	Number of drug arrests.	1,000	1,235
Output	Number of criminal cases investigated.	15,000	16,831
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	215
Output	Number of criminal citations or arrests for the illegal sales or service of alcohol to minors and intoxicated persons by the Special Investigations Division.	150	95
Motor Transportation Program:			
Output	Number of narcotic seizures.	52	20
Output	Number of commercial motor vehicle safety inspections.	85,000	87,682
Output	Number of motor carrier safety audits completed.	200	228

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2012

<u>TYPE</u>	<u>MEASURE</u>	<u>TARGET</u>	<u>RESULT</u>
Program Support:			
Outcome	Percent of forensic cases completed within thirty (30) working days.	60.0%	63.3%
Outcome	Percent of sex offender registrations processed within forty-eight (48) work hours of receipt.	70.0%	98.2%

CAPITAL ASSETS

The Department's capital assets, net of depreciation, are \$18,174,828 or 51.3 percent of total assets. **Capital Assets** and **Investment in Capital Assets** increased by \$362,976 or 2.0 percent due to the purchase of law enforcement vehicles with capital outlay appropriations which was offset by a loss on the sale of the New Mexico State Police's Adams A-500 airplane. The airplane, purchased in FY 2008 for \$1,200,000, had a net book value of \$743,014 on November 4, 2011 when it was sold for \$134,775, which resulted in a loss of \$608,239.

COMPENSATED ABSENCES

Total compensated absences as of June 30, 2012 were \$4,123,657. The estimated amount to be paid from current appropriations within one year is \$2,103,065 or 51.0 percent, with a balance of \$2,020,592 or 49.0 percent due after one year. There was no significant activity to report for compensated absences during the year ending June 30, 2012.

DEBT ADMINISTRATION

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 for its operations. The State Legislature appropriated \$128,799,700 for the FY 2013 operating budget in the Laws of 2012, Second Session, Chapter 19, Section 4. Federal grant awards totaling \$1,773,900 increased the Department's approved operating budget to \$130,573,600.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2012

The FY 2013 operating budget includes a general fund appropriation of \$91,199,900 which is a 5.8 percent increase over the FY 2012 revised amount of \$86,218,800. The FY 2013 operating budget transferred \$1,200,000 of the Motor Transportation Program's appropriation from the New Mexico Department of Transportation's Road Fund to the New Mexico Taxation and Revenue Department's Weight Distance Fund. These funds will be transferred to the Department in 1/12 allotments each month, and unexpended funds will be returned to Taxation and Revenue as a reversion.

The Laws of 2012, Second Session, Chapter 19, Section 5, Item 29 appropriated \$200,000 to pay the Department of Information Technology for wide area network circuits at Department of Public Safety designated sites to provide law enforcement officers quick access to, and transmittal of, critical information. The appropriation ends on June 30, 2013.

The Laws of 2012, Second Session, Chapter 19, Section 6, Item 29 appropriated \$200,000 for fuel for law enforcement and motor transportation program vehicles. The appropriation ended on June 30, 2012 and was fully expended during FY 2012.

The Laws of 2012, Second Session, Chapter 19, Section 7, Item 19 appropriated \$300,000 to plan the replacement of the computer-aided dispatch system and implementation of a records management system. The appropriation ends on June 30, 2014.

The Laws of 2012, Second Session, Chapter 64, Section 5, Item 3 appropriated \$700,000 to the Property Control Division of the New Mexico General Services Department under Project 12-1274 to plan, design, renovate, expand, furnish, and equip the New Mexico State Police district office in Espanola in Rio Arriba County. The appropriation ends on June 30, 2016.

The Laws of 2012, Second Session, Chapter 64, Section 5, Item 5 appropriated \$3,000,000 to the Property Control Division of the New Mexico General Services Department under Project 12-1276 to renovate, furnish, and equip the dormitories, including upgrading plumbing, electrical and mechanical systems and other infrastructure, at the New Mexico Law Enforcement Academy in Santa Fe County. The appropriation ends on June 30, 2016.

FINANCIAL CONTACT

The Department's financial statements are designed to present users with the general overview of its finances and to demonstrate its accountability. If you have any questions or require additional information, please contact:

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

State of New Mexico
Department of Public Safety

STATEMENT OF NET ASSETS

June 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 200,568
Investment in State Treasurer General Fund Investment Pool	12,015,793
Federal grants receivable	3,823,612
Trade receivables	
Less allowance for doubtful accounts of \$170,626	350,709
Due from other state agencies	495,272
Due from local governments	
Less allowance for doubtful accounts of \$379,548	21,487
Supplies inventory	2,592
Prepaid postage	22,821
	<hr/>
Total current assets	16,932,854
Capital assets, not being depreciated	14,394
Capital assets being depreciated, net of accumulated depreciation	18,160,434
	<hr/>
Total assets	<u>\$ 35,107,682</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	\$ 8,011,715
Accrued salaries and benefits payable	2,467,345
Deferred revenue	805,154
Due to other state agencies	232,577
Due to State General Fund	1,089,753
Compensated absences	2,103,065
	<hr/>
Total current liabilities	14,709,609
Long-term Liabilities	
Compensated absences due after one year	2,020,592
	<hr/>
Total long-term liabilities	2,020,592
	<hr/>
Total liabilities	16,730,201
Net Assets	
Invested in capital assets	18,174,828
Unrestricted	202,653
	<hr/>
Total net assets	18,377,481
	<hr/>
Total liabilities and net assets	<u>\$ 35,107,682</u>

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Department of Public Safety

STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants	Governmental Activities
Governmental Activities				
Law enforcement	\$ (74,003,355)	\$ 1,299,252	\$ 5,315,950	\$ (67,388,153)
Program support	(18,432,454)	1,957,298	3,906,361	(12,568,795)
Motor transportation program	(21,614,504)	38,126	5,133,941	(16,442,437)
Total governmental activities	\$ (114,050,313)	\$ 3,294,676	\$ 14,356,252	(96,399,385)
General revenues and (expenses)				
Transfers - State General Fund appropriations				90,618,800
Transfers - State Road Fund appropriations				6,846,000
Transfers - in from other state agencies				288,858
Transfers - reversions to State General Fund - FY 2012				(1,320,511)
Loss on sale of capital assets				(5,306)
Other				1,510
Total general revenues				96,429,351
Change in net assets				29,966
Net assets, beginning				18,347,515
Net assets, ending				\$ 18,377,481

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Department of Public Safety

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2012

	General Fund	Federal Forfeitures-SPD		Capital	Capital	Capital	Other Governmental Funds	Total Governmental Funds
		US DOJ (343)	US Treasury (719)	Projects (090)	Projects (892)	Projects (931)		
ASSETS								
Interest in State Treasurer General								
Fund Investment Pool	\$ 7,527,253	\$ 1,725,143	\$ -	\$ 100,899	\$ -	\$ 633,211	\$ 2,029,287	\$ 12,015,793
Cash in banks	86,268	-	-	-	-	-	-	86,268
Cash on hand	14,300	100,000	-	-	-	-	-	114,300
Federal grants receivable	3,823,612	-	-	-	-	-	-	3,823,612
Trade receivables, less allowance for doubtful accounts of \$32,826	324,145	-	-	-	-	-	26,564	350,709
Due from other funds	278,883	-	234,383	-	-	-	297,401	810,667
Due from other state agencies	494,701	499	-	-	-	-	72	495,272
Due from local governments, less allowance for doubtful accounts of \$379,548	-	-	-	-	-	-	21,487	21,487
Supplies inventory	2,592	-	-	-	-	-	-	2,592
Prepaid postage	22,821	-	-	-	-	-	-	22,821
Total assets	\$ 12,574,575	\$ 1,825,642	\$ 234,383	\$ 100,899	\$ -	\$ 633,211	\$ 2,374,811	\$ 17,743,521
LIABILITIES								
Accounts payable	\$ 7,352,673	\$ -	\$ -	\$ -	\$ -	\$ 633,211	\$ 25,832	\$ 8,011,716
Accrued salaries and benefits payable	2,469,690	-	-	-	-	-	(2,345)	2,467,345
Deferred revenue	805,154	-	-	-	-	-	-	805,154
Due to other funds	297,401	434,427	-	-	-	-	78,839	810,667
Due to other state agencies	232,577	-	-	-	-	-	-	232,577
Due to the State General Fund	1,047,627	-	-	-	-	-	42,126	1,089,753
Total liabilities	12,205,122	434,427	-	-	-	633,211	144,452	13,417,212
FUND BALANCES								
Non-Spendable								
Petty cash and change funds	14,300	-	-	-	-	-	-	14,300
Inventories	2,592	-	-	-	-	-	-	2,592
Postage	22,821	-	-	-	-	-	-	22,821
Flashroll	-	100,000	-	-	-	-	-	100,000
Spendable								
Restricted	129,740	1,291,215	234,383	100,899	-	-	2,230,359	3,986,596
Committed	200,000	-	-	-	-	-	-	200,000
Total fund balances	369,453	1,391,215	234,383	100,899	-	-	2,230,359	4,326,309
Total liabilities and fund balance	\$ 12,574,575	\$ 1,825,642	\$ 234,383	\$ 100,899	\$ -	\$ 633,211	\$ 2,374,811	\$ 17,743,521

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Department of Public Safety

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS -
GOVERNMENTAL FUNDS**

June 30, 2012

Total fund balance for the governmental fund (Balance Sheet)	\$ 4,326,309
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.	18,174,829
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>(4,123,657)</u>
Net assets of governmental activities (Statement of Net Assets)	<u>\$ 18,377,481</u>

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Department of Public Safety

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

Year Ended June 30, 2012

	General Fund	Federal Forfeitures-SPD		Capital Projects (090)	Capital Projects (892)	Capital Projects (931)	Other	Total
		US DOJ (343)	US Treasury (719)				Governmental Funds	Governmental Funds
Revenues								
Federal grants	\$ 9,983,599	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,457,256	\$ 11,440,855
State grants	2,315,747	-	-	-	-	-	-	2,315,747
Forfeitures	-	359,785	234,383	-	-	-	-	594,168
Other program fees	2,467,814	4,170	-	-	-	-	818,538	3,290,522
Proceeds from sale of property	736,370	-	-	-	-	-	-	736,370
Total revenues	15,503,530	363,955	234,383	-	-	-	2,275,794	18,377,662
Expenditures								
Public safety								
Current								
Personal services and employee benefits	77,634,418	-	-	-	-	-	76,939	77,711,357
Contractual services	4,254,186	-	-	-	-	-	99,986	4,354,172
Other costs	24,911,059	-	-	-	287,910	139,877	1,271,643	26,610,489
Capital outlay	2,774,901	-	-	-	-	3,860,123	-	6,635,024
Total expenditures	109,574,564	-	-	-	287,910	4,000,000	1,448,568	115,311,042
Excess (deficiency) of revenues over expenditures	(94,071,034)	363,955	234,383	-	(287,910)	(4,000,000)	827,226	(96,933,380)
Other Financing Sources (Uses)								
Transfers - State General Fund appropriations	86,618,800	-	-	-	-	4,000,000	-	90,618,800
Transfers - State Road Fund appropriations	6,846,000	-	-	-	-	-	-	6,846,000
Transfers - reversions to State General Fund - 2011 FY	(1,278,385)	-	-	-	-	-	(42,126)	(1,320,511)
Interagency transfer in	-	-	-	-	287,911	-	947	288,858
Interfund transfer in	1,374,271	-	-	-	(1)	-	-	1,374,270
Interfund transfer out	-	(1,202,649)	-	-	-	-	(171,621)	(1,374,270)
Total other financing sources (uses)	93,560,686	(1,202,649)	-	-	287,910	4,000,000	(212,800)	96,433,147
Change in fund balances	(510,348)	(838,694)	234,383	-	-	-	614,426	(500,233)
Fund balances, beginning	879,801	2,229,909	-	100,899	-	-	1,615,933	4,826,542
Fund balances, ending	\$ 369,453	\$ 1,391,215	\$ 234,383	\$ 100,899	\$ -	\$ -	\$ 2,230,359	\$ 4,326,309

The accompanying notes are an integral part of this financial statement.

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, 2012

Net change in Fund Balance - Total Governmental Funds (Statement of Revenues, Expenditures and Changes in Fund Balance)	\$	(500,233)
--	----	-----------

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	\$	6,635,024	
Depreciation expense		<u>(5,530,372)</u>	
			1,104,652

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.

(741,676)

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.

Other		2,458
-------	--	-------

Change in compensated absences		<u>164,765</u>
--------------------------------	--	----------------

Change in net assets of governmental activities (Statement of Activities)	\$	<u>29,966</u>
---	----	---------------

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Department of Public Safety

**MAJOR FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND - FUND 128 -
ALL APPROPRIATIONS**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 86,218,800	\$ 86,618,800	\$ 86,618,800	\$ -
Other appropriations	6,846,000	6,846,000	6,846,000	-
Federal funds	22,888,800	23,093,800	9,983,599	(13,110,201)
Other state funds	4,292,700	4,490,263	5,519,931	1,029,668
Other financing sources	6,919,600	6,969,600	1,374,271	(5,595,329)
Reversions	-	-	(1,278,385)	(1,278,385)
	127,165,900	128,018,463	109,064,216	<u>\$ (18,954,247)</u>
Total revenues				
Prior year cash budgeted	706,912	706,912		
Total budgeted revenues	<u>\$ 127,872,812</u>	<u>\$ 128,725,375</u>		
Expenditures				
Personal services and benefits	\$ 87,450,800	\$ 85,181,700	77,634,418	\$ 7,547,282
Contract services	6,962,532	6,959,132	4,254,186	2,704,946
Other	33,459,480	36,584,543	27,685,960	8,898,583
Other financing uses	-	-	-	-
	\$ 127,872,812	\$ 128,725,375	109,574,564	<u>\$ 19,150,811</u>
Total budgeted expenditures				
Excess (deficiency) of revenue over expenditures			<u>\$ (510,348)</u>	

The accompanying notes are an integral part of this financial statement.

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 U.S. DEPT OF JUSTICE**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Federal funds	\$ 1,525,000	\$ 1,525,000	\$ 359,786	\$ (1,165,214)
Other state funds	-	-	4,170	4,170
Total budgeted revenues	1,525,000	1,525,000	363,956	<u>\$ (1,161,044)</u>
Prior year cash budgeted	<u>1,000,000</u>	<u>1,000,000</u>		
Total budgeted revenues	<u>\$ 2,525,000</u>	<u>\$ 2,525,000</u>		
Expenditures				
Other financing uses	\$ 2,525,000	\$ 2,525,000	1,202,650	\$ 1,322,350
Total budgeted expenditures	<u>\$ 2,525,000</u>	<u>\$ 2,525,000</u>	<u>1,202,650</u>	<u>\$ 1,322,350</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (838,694)</u>	

The accompanying notes are an integral part of this financial statement.

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 719 U.S. TREASURY**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Federal funds	\$ -	\$ -	\$ 234,383	\$ 234,383
Total budgeted revenues	-	-	234,383	\$ 234,383
Prior year cash budgeted	-	-		
Total budgeted revenues	\$ -	\$ -		
 Expenditures				
Other financing uses	\$ -	\$ -	-	\$ -
Total budgeted expenditures	\$ -	\$ -	-	\$ -
Excess (deficiency) of revenue over expenditures			\$ 234,383	

Inactive funds with no activity continue to be presented in these financial statements since they still legally exist with the State of New Mexico.

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Department of Public Safety

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS

June 30, 2012

	<u>Agency Funds</u>
ASSETS	
Interest in State Treasurer General Fund Investment Pool	<u>\$ 182,416</u>
Total assets	<u><u>\$ 182,416</u></u>
LIABILITIES	
Assets held for others	<u>\$ 182,416</u>
Total liabilities	<u><u>\$ 182,416</u></u>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A – 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, 1998, 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 B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

1. Reporting Entity and Component Units – Continued

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 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.

2. 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 and 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Basic Financial Statements - Government-Wide Statements – Continued

The government-wide Statement of Activities reflects both the gross and net cost per functional category which is otherwise supported by general government revenues. The Statement of Activities reduces gross expense (including depreciation on capital assets) by related program revenues, operating and capital grants. Program revenue must be directly associated with the function or a business-related activity. The Department has one function (public safety) and three programs: Law Enforcement, Motor Transportation Police, and Program Support. Law Enforcement revenues consist of federal and state grants, court fines and forfeitures, concealed carry weapon fees, Law Enforcement Academy tuition, security reimbursements, auction proceeds and insurance claims. Motor Transportation Police revenues consist of federal and state grants, and an appropriation from the New Mexico Department of Transportation's Road Fund. Program Support revenues consist of federal grants, Law Enforcement Records Bureau photostat and fingerprint fees and state chemist fees.

The net cost by function is normally covered by general revenue. The Department does not employ indirect cost allocation.

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.

3. 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 are presented as a major fund each year, even if they do 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. 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 or fund liabilities.

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 inactive with no balances or activity during the year.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Basic Financial Statements - Fund Financial Statements – Continued

Governmental Fund Types – Continued

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 Section 31-12-9, NMSA 1978 to account for substance abuse fees collected and expended for the administration of certain Department of Public Safety programs related to controlled substances. It is a non-reverting fund.

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. It is a non-reverting fund.

34300 Federal Forfeitures Fund - U.S. Department of Justice (USDOJ) - 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*. It is a non-reverting fund.

34600 Peace Officers' Survival Fund - The Peace Officers' Survival Fund was established in accordance with Section 29-4A-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. It is a non-reverting fund.

59400 Concealed Handgun Carry Fund - The Concealed Handgun Carry Fund was established in accordance with Section 29-19-13, NMSA 1978 to carry out the provisions of the Concealed Handgun Carry Act. It is a non-reverting fund.

67000 Orphan Materials Recovery Fund - The Orphan Materials Recovery Fund was established in accordance with Section 12-12-29, NMSA 1978 to contract for the disposal of orphan hazardous materials held in the possession of the Department and identified by state emergency response officers. It is a non-reverting fund.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. 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 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. It is a reverting fund.
- 71990 Federal Forfeitures Fund-US Treasury - 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*. It is a non-reverting fund.
- 88200 Special Donations Fund - 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 use of funds are specified by the donor. It is a non-budgeted and non-reverting fund.
- 89000 ARRA Fund - This fund was established by the New Mexico Department of Finance and Administration to account for funds received under the American Recovery and Reinvestment Act (ARRA). It is a non-reverting fund.
- 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. It is a non-budgeted and non-reverting 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*. It is a non-budgeted and non-reverting fund.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Basic Financial Statements - Fund Financial Statements – Continued

Governmental Fund Types – 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 Doña Ana County. It is now used for other capital projects. It is funded by state appropriations used for buildings and other projects. This fund reverts upon project completion.

89200 Capital Projects Fund - The Capital Projects Fund was established to track all capital outlay appropriations starting in Fiscal Year 2012. This fund will be replacing fund 09000. It is funded by state bond proceeds used for buildings and other projects. This fund reverts upon project completion.

93100 Capital Projects Fund - The Capital Projects Fund was established to track all capital outlay appropriations starting in Fiscal Year 2012. This fund will be replacing fund 09000. It is funded by state appropriations used for buildings and other projects. This fund reverts upon project completion.

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 in accordance with Section 29-16-11, NMSA 1978. It is used to collect fees of \$100 from convicted felons as part of the parole process. Fees are used by New Mexico correctional facilities for blood tests which establish a DNA Identification System in the state. This is a non-reverting fund.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Basic Financial Statements - Fund Financial Statements – Continued

Fiduciary Fund Types – Continued

- 10560 Evidence Fund - The Evidence Fund was established in Section 29-1-15, NMSA 1978 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. No value is assigned to evidence until it is sold. Some evidence is destroyed after it is no longer needed as evidence. This is a non-reverting fund.
- 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. This is a non-reverting fund.

4. 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. There have been no FASB matters or disclosures applied to date by the Agency. 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:

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Basis of Accounting – Continued

- a.) 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.
- b.) 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.
- c.) 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.

5. 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Budgets and Budgetary Accounting – Continued

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.

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:

- a.) 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.
- b.) 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.
- c.) 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Budgets and Budgetary Accounting – Continued

- d.) 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.
- e.) Per the General Appropriation Act, Laws of 2010, Second Special Session, Chapter 6, Section 3, Item M, “For the purpose of administering the General Appropriation Act of 2010 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 2012 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.

6. 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.

7. Interest in the General Fund Investment Pool Not Reconciled

By Statute, the Department of Finance and Administration (DFA) is responsible for reconciling the General Fund Investment Pool (GFIP) held at the State Treasurer’s Office (STO). In June 2012, an independent expert diagnostic report revealed that the GFIP balances have not been reconciled at the business unit/fund level (held by the STO and reconciled by the DFA) since the inception of the Statewide Human Resources, Accounting, and Management Reporting System (SHARE) in July of 2006. The Diagnostic report is available in the Resources section of the Cash Control page of the New Mexico Department of Finance & Administration’s website at: http://www.nmdfa.state.nm.us/Cash_Control.aspx. The document title is Current State Diagnostic of Cash Control.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. Interest in the General Fund Investment Pool Not Reconciled – Continued

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. Interest in the General Fund Investment Pool Not Reconciled – Continued

Risk Assessment

Cash balance monitoring carries increased risk because of the lack of reconciliation performed for statewide government. There is a high level of deposit and expenditure transactions within the Department, for which structured controls have been implemented for purposes of detection and correction of errors. Management has assessed risks regarding the cash balance reconciliation problem by implementing certain control activities.

Deposits

Each month, the Finance Bureau Accountant/Auditor performs a review of the deposits posted to the DPS cash account through the SHARE query: NMS_BK_REF_FOR_DEPOSIT_ID_MD. The review consists of a scan review to ensure that all deposits entered in the SHARE system have created a Journal ID and posted to the general ledger. If there are any deposits that did not generate a Journal ID, the Accountant/Auditor contacts the DFA help desk to resolve this issue. There were no help desk calls placed to notify DFA of a posting error during FY12. DFA performs a review and creates a journal entry to properly post the deposited funds to the DPS GL.

Warrants

Bi-monthly, the Finance Bureau Staff Manager performs a review of the warrants issued through SHARE query NMS_OUTSTANDING_WARRANTS to view which warrants are still outstanding. The report is saved to the shared drive for the Department, and sorted by voucher ID, and the Finance Bureau staff employee assigned to the ID then contacts the employee/vendor to verify that the warrant was received. If it has been received, they are asked to deposit as soon as possible. If not received, an affidavit is sent to the payee for request to reissue the warrant. Once the warrant has been reissued, the assigned employee then updates the file in the shared drive to show that the warrant has been deposited and notes the date of reconciliation. The assigned employee is required to follow up until each warrant is resolved. The Staff Manager monitors the status of the Outstanding Warrants file for timely review and reconciliation of outstanding items.

Monitoring and Reporting

There are several levels of review over the cash monitoring process. The Finance Bureau performs periodic reviews of the outstanding deposits and warrants in order to maintain the most accurate cash balance of the Department. The outstanding deposits and warrants are monitored throughout the year, and reconciled with posted GL data, in order to maintain the most accurate records for financial statement reporting.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. Interest in the General Fund Investment Pool Not Reconciled – Continued

Because of the compensating control activities in place during recent years in response to risk assessment detailed above, management believes that the value of \$12,015,793, as its share of the GFIP, is materially correct at June 30, 2012 based on the utilization of subsidiary records for receipts, for the large percentage of the Department's business disbursements transacted by cost reimbursement on federal funds, and for the reverting nature of operations appropriation which does not result in any buildup of excess cash or net assets over a multiyear period.

8. 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. During 2012, there were no estimated allowable costs allowed for or charged to any federal grants.

Deferred revenue relates to a single grant with another state agency that funds cash in advance of activity for the program. Deferred revenue in the amount of \$805,154 has been reported on the balance sheet – governmental funds because the Department received cash in advance and can spend all of the cash without restriction. Thus, there is no difference in reporting under full accrual versus modified accrual accounting for this single grant.

Certain federal program funds are passed through the Department to sub-grantee organizations.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. 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 expensed 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 nonspendable amount of fund balance in the Governmental Fund Statements.

10. Capital Assets

Capital assets purchased or acquired at a value of \$5,000 or greater are capitalized per Section 12-6-10 NMSA 1978. In some cases, assets acquired at a value of \$5,000 or less are capitalized. Assets are carried at historical cost 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.

	<u>Years</u>
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.

State of New Mexico
Department of Public Safety

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Accrued Compensated Absences - Annual Leave

New Mexico State Police officers accumulate annual leave as follows:

<u>Years of Service</u>	<u>Hours Earned Per Pay Period</u>	<u>Days Earned Per Year</u>	<u>Days of Maximum Accrual</u>
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

Classified service employees accumulate annual leave as follows:

<u>Years of Service</u>	<u>Hours Earned Per Month</u>	<u>Days Earned Per Year</u>	<u>Days of Maximum Accrual</u>
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, 2012, 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Fund Balance Classifications

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the Legislature's and Executive Branch's intent to be used for specific purposes or in some cases by legislation.

The agency's fund balances represent: 1) Restricted Purposes, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments. The amount of net assets restricted by enabling designation is \$3,986,589.; 2) Committed Purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches.; 3) Assigned Purposes, which includes balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed. A summary of the nature and purpose of these reserves by fund type at June 30, 2012, follows:

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

Nonspendable - 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.

Nonspendable - 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.

Spendable – Restricted. This reserve consists of liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory or granting agency) limitation on their use.

Spendable – Committed 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.

State of New Mexico
Department of Public Safety

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Fund Balance Classifications – Continued

Fund/Program	Nonspendable	Restricted Purposes	Committed
General Fund (12800)	\$ -	\$ 129,740	\$ -
Petty cash and changes funds	14,300	-	-
Inventories	2,592	-	-
Postage	22,821	-	-
Federal Forfeitures Fund (34300)			
Flashroll	100,000	-	-
Multi Year General Fund Appropriation (12800)	-	-	200,000
Laws of 2007, Chapter 28, Section 7, Item 030			
Laws of 2008, Chapter 3, Section 7, Item 033			
Laws of 2010, 2nd SS, Chapter 6, Section 7, Item 017			
Federal Forfeitures Fund (34300)	-	1,291,215	-
21 U.S.C.s 881 (e) (1) (A), 18.U.S.C.s 981 (e) and 19 U.S.C.s 1616			
Federal Forfeitures Fund (71900)	-	234,383	-
21 U.S.C.s 881 (e) (1) (A), 18.U.S.C.s 981 (e) and 19 U.S.C.s 1616			
Capital projects Fund (09000)	-	100,899	-
Chapter 7 Section 14 Laws of 1998			
State Chemist Fees Fund (27200)	-	587,243	-
Section 31-12-9, NMSA 1978			
CSA Forfeitures Fund (34200)	-	80,573	-
Section 30-31-35, NMSA 1978			
Orphan Material Recovery Fund (67000)	-	5,029	-
Section 12-12-29, NMSA 1978			
Crime Stoppers Rewards Fund (89400)	-	23,653	-
NM Department of Finance and Administration Directive			
Livestock and poultry	-	-	-
Peace Officers' Fund (34600)	-	350,746	-
Section 29-4A-4, NMSA 1978			
Concealed Handgun Carry Fund (59400)	-	1,177,427	-
Section 29-19-13, NMSA 1978			
Special Donations Fund (88200)	-	5,681	-
NM Department of Finance and Administration Directive			
	<u>\$ 139,713</u>	<u>\$ 3,986,589</u>	<u>\$ 200,000</u>

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

12. Fund Balance Classifications – Continued

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, restricted fund balance must be spent first. When expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

13. 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 Assets (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.

14. 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE C – 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 \$250,000 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, 2012 is presented in the financial statements as supplemental information.

Interest in the General Fund Investment Pool. State law (Section 8-6-3 NMSA 1978) requires the Department's cash be managed by the New Mexico State Treasurer's Office. Accordingly, the investments of the Department consist of an interest in the GFIP management by the New Mexico State Treasurer's Office.

At June 30, 2012, the Department had the following invested in the General Fund Investment Pool:

General Fund Investment Pool \$12,015,793

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

Credit Risk - The New Mexico State Treasurer pools are not rated.

Please see Note B7 for more information in connection with the GFIP. For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer's Office for the fiscal year ended June 30, 2012.

State of New Mexico
Department of Public Safety

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE C – CASH – CONTINUED

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, 2012. 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.

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, 2012.

NOTE D – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables are as follows:

	Due From (Receivable)	Due To (Payable)
General Fund (12800)	\$ 278,883	\$ 297,401
State Chemist Fees (27200)	84,105	-
State Forfeitures (34200)	-	2,514
Federal Forfeitures (34300)	-	434,427
Federal Forfeitures (71900)	234,383	-
Concealed Handgun Carry (59400)	213,296	21,285
Advanced Training (78600)	-	55,040
	\$ 810,667	\$ 810,667
Total		

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.

State of New Mexico
Department of Public Safety

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE D – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – CONTINUED

The composition of interfund transfers are as follows:

	Transfers In	Transfers Out
General Fund (12800)	\$ 1,374,271	\$ -
State Chemist Fees (27200)	-	-
State Forfeitures (34200)	-	42,709
Federal Forfeitures (34300)	-	1,202,650
Federal Forfeitures (71900)	-	-
Concealed Handgun Carry (59400)	-	-
Advanced Training (78600)	-	128,912
	\$ 1,374,271	\$ 1,374,271
Total		

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 E – DUE TO AND DUE FROM AND TRANSFERS – OTHER AGENCIES

	Due From	Due To
General Fund (12800)		
Legislative Finance Council (131)	\$ -	\$ 1,282
Administrative Office of the Courts (218)	-	536
Department of Transportation (805)	261,095	230,758
	261,095	232,576
Total General Fund		
State Chemist Fees (27200)		
Administrative Office of the Courts (218)	-	-
Federal Forfeitures Fund (34300)		
State Treasurer (394)	499	-
Peace Officers' Survivors Fund (34600)		
State Treasurer (394)	72	-
ARRA (89000)		
Department of Finance and Administration (341)	-	-
STB Capital Outlay (89200)		
Department of Finance and Administration (341)	-	-
	571	-
Total other non-major funds		
	\$ 261,666	\$ 232,576
Total		

State of New Mexico
Department of Public Safety

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE E – DUE TO AND DUE FROM AND TRANSFERS – OTHER AGENCIES – CONTINUED

	State General Fund Department 85300 General Fund Appropriation	DFA 34100	Department of Transportation 80500	Department of Public Safety 09000	Department of Public Safety 12800	Department of Public Safety 27200	Department of Public Safety 59400	Department of Public Safety 78600
NM DPS General Fund - 12800								
General Fund Appropriation	\$ 86,218,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ITD Replace NMLETS								
Road Fund Allotment								
Fuel for Law Enforcement Vehicles	200,000	-	-	-	-	-	-	-
Wide Area Network Circuits	200,000							
Department of Finance - 34100								
Operating Transfers Required by HB3	-	-	-	-	-	-	-	-
State General Fund Reversion	-	-	-	-	-	-	-	-
NM DPS Peace Officers' Survivor Fund - 34600								
Survivors Benefits	-	-	-	-	-	-	-	-
Survivors of Officers Killed in Line of Duty	-	-	-	-	-	-	-	-
General Services Department - 35000								
MOU State Police Bldg. Espanola	-	-	-	-	-	-	-	-
Department of Transportation - 80500								
Round Fund Reversion	-	-	-	-	-	-	-	-
STP Capital Outlay - 89200								
Animal Protection Training for Law Enforcement	-	-	-	-	-	-	-	-
Capital Outlay - 93100								
General Fund Appropriation	3,000,000	-	-	-	-	-	-	-
Capital Outlay - 93100								
General Fund Appropriation	1,000,000	-	-	-	-	-	-	-
Total	\$ 90,618,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

State of New Mexico
Department of Public Safety

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE E – DUE TO AND DUE FROM AND TRANSFERS – OTHER AGENCIES – CONTINUED

	State General Fund Department 85300 General Fund Appropriation	DFA 34100	Department of Transportation 80500	Department of Public Safety 09000	Department of Public Safety 12800	Department of Public Safety 27200	Department of Public Safety 59400	Department of Public Safety 78600
NM DPS General Fund - 12800								
Road Fund Allotment	\$ -	\$ -	\$ 6,846,000	\$ -	\$ -	\$ -	\$ -	\$ -
 Total State Road Fund Appropriations	-	-	6,846,000	-	-	-	-	-
 Department of Finance - 34100								
State General Fund Reversion	-	-	-	-	1,047,627	-	-	42,126
 Department of Transportation - 80500								
Round Fund Reversion	-	-	-	-	230,758	-	-	-
 Total Reversions	-	-	-	-	1,278,385	-	-	42,126
 STP Capital Outlay - 89200								
Animal Protection Training for Law Enforcement	-	287,910	-	-	-	-	-	-
 NM DPS Peace Officers' Survivor Fund - 34600								
Survivors of Officers Killed in Line of Duty	-	-	-	-	-	-	-	-
 Total Interagency Transfers In	<u>\$ -</u>	<u>\$ 287,910</u>	<u>\$ 6,846,000</u>	<u>\$ -</u>	<u>\$ 1,278,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,126</u>

State of New Mexico
Department of Public Safety

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE F – CAPITAL ASSETS

The capital assets activity for the year ended June 30, 2012, is as follows:

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012
Capital assets not being depreciated				
Land	\$ 14,394	\$ -	\$ -	\$ 14,394
Other capital assets				
Furniture and fixtures	\$ 235,828	\$ 21,900	\$ (1,334)	\$ 256,394
Equipment and machinery	8,767,622	1,111,723	(247,267)	9,632,078
Automobile	25,217,148	5,096,599	(2,841,548)	27,472,199
Aircraft	8,700,886	-	(1,344,917)	7,355,969
Buildings and structures	1,576,320	-	(2,150)	1,574,170
Data processing equipment	5,939,647	404,802	-	6,344,449
Livestock and poultry	90,293	-	-	90,293
Total other capital assets	50,527,744	6,635,024	(4,437,216)	52,725,552
Accumulated depreciation for:				
Furniture and fixtures	127,597	28,576	(1,333)	154,840
Equipment and machinery	6,653,169	736,276	(224,295)	7,165,150
Automobile	17,995,034	3,478,960	(2,861,733)	18,612,261
Aircraft	1,977,975	777,350	(606,670)	2,148,655
Buildings and structures	544,343	88,655	(1,509)	631,489
Data processing equipment	5,382,252	395,575	-	5,777,827
Livestock and poultry	49,916	24,980	-	74,896
Total accumulated depreciation	32,730,286	5,530,372	(3,695,540)	34,565,118
Other capital assets, net	\$ 17,797,458	\$ 1,104,652	\$ (741,676)	\$ 18,160,434
Capital assets summary				
Capital assets not being depreciated	\$ 14,394	\$ -	\$ -	\$ 14,394
Other capital assets, at cost	50,527,744	6,635,024	(4,437,216)	52,725,552
Total cost of capital assets	50,542,138	6,635,024	(4,437,216)	52,739,946
Accumulated depreciation	(32,730,286)	(5,530,372)	3,695,540	(34,565,118)
Capital assets, net	\$ 17,811,852	\$ 1,104,652	\$ (741,676)	\$ 18,174,828

The Department does not have any debt related to capital assets at June 30, 2012. Depreciation expense for the Department amounted to \$5,530,372 and is considered a governmental activity and allocated to all governmental programs.

State of New Mexico
Department of Public Safety

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE G – 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 at June 30, 2012 are:

General Fund		
General operating	\$	1,047,627
Special Revenue Fund		
Advanced training		42,126
Total	\$	1,089,753

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

NOTE H – 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, 2012.

A summary of changes in the compensated absences payable for the year ended June 30, 2012, is as follows:

	Balance June 30, 2011	Increase	Decrease	Balance June 30, 2012
Compensated absences payable				
Due within one year	\$ 2,187,095	\$ 2,392,564	\$ (2,476,594)	\$ 2,103,065
Due after one year	2,101,326	2,298,738	(2,379,472)	2,020,592
Total	\$ 4,288,421	\$ 4,691,302	\$ (4,856,066)	\$ 4,123,657

State of New Mexico
Department of Public Safety

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE I – LEASE COMMITMENTS

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

<u>Year ended June 30</u>	
2013	\$ 798,660
2014	634,458
2015	600,776
2016	603,305
2017	352,389
Thereafter	<u>980,242</u>
	<u>\$ 3,969,830</u>

During the year ended June 30, 2012, facilities and equipment rent expense were approximately \$869,500. 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.

NOTE J – 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.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE J – CONTINGENT LIABILITIES AND JUDGMENTS – CONTINUED

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.

NOTE K – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

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.

Funding Policy. The contribution requirements of plan members and the Department are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements and contributions may be amended by acts of the Legislature. The contribution rates for regular employees (non-enhanced) and State Police commissioned officers (enhanced) as follows:

<u>Non-Enhanced</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	13.34%	10.67%
FY13	15.09%	8.92%
<u>Enhanced</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	21.85%	10.85%
FY13	23.60%	9.10%

The Department’s contributions to PERA for the fiscal years ending June 30, 2012, 2011 and 2010 were \$8,211,735, \$9,339,089 and \$9,928,840 respectively, which equal the amount of the required contributions for each fiscal year.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE L – 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 health care plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the health care plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which 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 health care plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle N.E., Suite 104, Albuquerque, NM 87107.

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE L – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN – CONTINUED

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. Prior to July 1, 2010, all participating employers and employees contributed the same rates. Effective July 1, 2010, RHCA implemented two rate schedules for regular employees (non-enhanced) and State Police commissioned officers (enhanced) as follows:

<u>Non-Enhanced</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	1.834%	0.917%
FY13	2.000%	1.000%
<u>Enhanced</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	2.292%	1.146%
FY13	2.500%	1.250%

Employers joining the program after January 1, 1998, 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 contributions to RHCA for the fiscal years ending June 30, 2012, 2011 and 2010 were \$951,893, \$889,908 and \$646,917 respectively, which equal the amount of the required contributions for each fiscal year.

NOTE M – INSURANCE COVERAGE

The Department obtains coverage through the 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, 2011 through June 30, 2012.

State of New Mexico
Department of Public Safety

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE N – SPECIAL APPROPRIATIONS

Special, Supplemental, Data Processing and Capital Outlay appropriations during the year consisted of the following:

	Original Appropriation Balance	Purpose	Period	Cumulative Expenditures June 30, 2012	Outstanding Encumbrances June 30, 2012	Amount to be Reverted	Unencumbered Appropriations
Fund 12800							
Multi-year							
General Fund Appropriations	\$ 3,000,000	Replace NMLETS System	March 2007 to June 2012	\$ 2,996,191	\$ -	\$ 3,809	\$ -
Fund 12800							
Multi-year							
General Fund Appropriations	200,000	Wide Area Network Circuits	May 2012 to June 2013	-	-	-	200,000
Fund 12800							
Single-year							
General Fund Appropriations	200,000	Fuel	May 2012 to June 2012	200,000	-	-	-
Fund 12800							
Multi-year							
General Fund Appropriations	300,000	Replace CAD	May 2007 to June 2014	-	-	-	300,000
Fund 09000							
Multi-year							
Capital Project Appropriations	2,000,000	Law Enforcement Vehicles	August 2009 to June 2012	2,000,000	-	-	-
Fund 89200							
Multi-year							
Capital Project Appropriations	300,000	Purchase & Equip. Vehicles	September 2010 to June 2012	299,959	-	41	-
Fund 89200							
Multi-year							
Capital Project Appropriations	297,000	Vehicles	September 2011 to June 2014	287,910	-	-	9,090
Fund 93100							
Multi-year							
Capital Outlay Appropriations	3,000,000	NMSP Vehicles	December 2011 to June 2014	3,000,000	-	-	-
Fund 93100							
Multi-year							
Capital Project Appropriations	<u>1,000,000</u>	MTP Vehicles	December 2011 to June 2014	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 10,297,000</u>			<u>\$ 9,784,060</u>	<u>\$ -</u>	<u>\$ 3,850</u>	<u>\$ 509,090</u>

Unencumbered appropriations are presented as reservations of fund balance for multi-year appropriations in the Balance Sheet – Governmental Funds.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2012

NOTE O – 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.

The Department paid Risk Management for the fiscal years ending June 30, 2012 and 2011 of \$3,912,537 and \$3,748,230 in insurance premiums. 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.

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, 2012, 2011, and 2010, 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 P – NEW ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) has published Statements No. 67, *Financial Reporting for Pension Plans* and No. 68, *Accounting and Financial Reporting for Pensions*. These standards revise existing guidance for governments that provide their employees with pension benefits. A principal change is the requirement to record the government's pro rata share of unfunded actuarial accrued liability (UAAL) on its financial statements including multi-employer cost sharing plans. The Department is a participating member of the Public Employees Retirement Association (PERA), a multi-employer cost sharing plan. See Note K. Other changes arising from these statements are significant and the Department will comply with these changes as information necessary to implement the standard is provided by PERA and the State of New Mexico. The implementation date for Statement No. 68, most relevant to the Department is for FY 2015. The current status of the unfunded liability for PERA is \$4.97 billion based on the most recently issued audited financial statement at June 30, 2011.

State of New Mexico
Department of Public Safety

**BALANCE SHEET - ALL ACCOUNTS -
MAJOR GOVERNMENTAL FUNDS - GENERAL FUND**

June 30, 2012

	General Fund		Total
	General Fund Account	Local Law Enforcement Account	
ASSETS			
Interest in State Treasurer General Fund Investment Pool	\$ 7,527,253	\$ -	\$ 7,527,253
Cash in banks	86,268	-	86,268
Cash on hand	14,300	-	14,300
Federal grants receivable	3,823,612	-	3,823,612
Trade receivables	324,145	-	324,145
Due from other funds	278,883	-	278,883
Due from other agencies	494,701	-	494,701
Due from local government	-	-	-
Supplies inventory	2,592	-	2,592
Prepaid postage	22,821	-	22,821
	<u>\$ 12,574,575</u>	<u>\$ -</u>	<u>\$ 12,574,575</u>
Total assets			
LIABILITIES			
Accounts payable	\$ 7,352,673	\$ -	\$ 7,352,673
Accrued salaries payable	2,469,690	-	2,469,690
Deferred revenue	805,154	-	805,154
Due to other federal agencies	-	-	-
Due to other agencies	232,577	-	232,577
Due to the State General Fund	1,047,627	-	1,047,627
Due to other funds	297,401	-	297,401
	<u>12,205,122</u>	<u>-</u>	<u>12,205,122</u>
Total liabilities			
FUND BALANCE			
Non-Spendable			
Petty cash and change funds	14,300	-	14,300
Inventories	2,592	-	2,592
Postage	22,821	-	22,821
Spendable			
Restricted	129,740	-	200,000
Committed	200,000	-	129,740
	<u>369,453</u>	<u>-</u>	<u>369,453</u>
Total fund balance			
Total liabilities and fund balance	<u>\$ 12,574,575</u>	<u>\$ -</u>	<u>\$ 12,574,575</u>

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, 2012

	General Fund		Total
	General Fund Account	Local Law Enforcement Account	
Revenues			
Federal grants	\$ 9,983,599	\$ -	\$ 9,983,599
State grants	2,315,747	-	2,315,747
Other fees	2,467,814	-	2,467,814
Proceeds from sale of property	736,370	-	736,370
Total revenues	15,503,530	-	15,503,530
Expenditures			
Public safety			
Current			
Personal services and employee benefits	77,634,418	-	77,634,418
Contractual services	4,254,186	-	4,254,186
Other costs	24,911,059	-	24,911,059
Capital outlay	2,774,901	-	2,774,901
Total expenditures	109,574,564	-	109,574,564
Excess (deficiency) of revenues over expenditures	(94,071,034)	-	(94,071,034)
Other financing sources (uses)			
State General Fund appropriations	86,618,800	-	86,618,800
State Road Fund appropriations	6,846,000	-	6,846,000
Reversions to State General Fund	(1,278,385)	-	(1,278,385)
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Interagency transfer in	-	-	-
Interfund transfer in	1,374,271	-	1,374,271
Interagency transfers out	-	-	-
Total other financing sources (uses)	93,560,686	-	93,560,686
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(510,348)	-	(510,348)
Fund balance, beginning	879,801	-	879,801
Fund balance, ending	<u>\$ 369,453</u>	<u>\$ -</u>	<u>\$ 369,453</u>

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
PUBLIC SAFETY PROGRAM SUPPORT - FUND 128 P503
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 12,813,700	\$ 12,813,700	\$ 12,813,700	\$ -
Other appropriations	-	-	-	-
Federal funds	6,767,900	6,972,900	3,299,039	(3,673,861)
Other state funds	2,116,700	2,116,700	1,737,348	(379,352)
Other financing sources	578,700	578,700	-	(578,700)
Reversion to State General Fund	-	-	(395,306)	(395,306)
	<u>22,277,000</u>	<u>22,482,000</u>	<u>17,454,781</u>	<u>\$ (5,027,219)</u>
 Total revenues				
 Prior year cash budgeted	<u>-</u>	<u>-</u>		
 Total budgeted revenues	<u>\$ 22,277,000</u>	<u>\$ 22,482,000</u>		
 Expenditures				
Personal services and benefits	\$ 11,625,400	\$ 11,235,400	9,847,559	\$ 1,387,841
Contract services	1,397,100	1,507,100	699,130	807,970
Other	9,254,500	9,739,500	6,908,326	2,831,174
Other financing uses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total budgeted expenditures	<u>\$ 22,277,000</u>	<u>\$ 22,482,000</u>	<u>17,455,015</u>	<u>\$ 5,026,985</u>
 Excess (deficiency) of revenue over expenditures			<u>\$ (234)</u>	

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
LAW ENFORCEMENT PROGRAM - FUND 128 P504
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 64,234,000	\$ 64,234,000	\$ 64,234,000	\$ -
Other appropriations	-	-	-	-
Federal funds	8,883,500	8,883,500	3,240,507	(5,642,993)
Other state funds	2,096,000	2,293,563	2,054,569	(238,994)
Other financing sources	4,466,100	4,516,100	1,374,271	(3,141,829)
Reversion to State General Fund	-	-	(427,395)	(427,395)
	79,679,600	79,927,163	70,475,952	<u>\$ (9,451,211)</u>
 Total revenues				
Prior year cash budgeted	-	-		
	<u>\$ 79,679,600</u>	<u>\$ 79,927,163</u>		
 Expenditures				
Personal services and benefits	\$ 59,269,100	\$ 57,996,600	53,648,428	\$ 4,348,172
Contract services	1,521,800	1,453,800	912,131	541,669
Other	18,888,700	20,476,763	15,918,535	4,558,228
Other financing uses	-	-	-	-
	79,679,600	79,927,163	70,479,094	<u>\$ 9,448,069</u>
 Total budgeted expenditures				
Excess (deficiency) of revenue over expenditures			<u>\$ (3,142)</u>	

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
MOTOR TRANSPORTATION PROGRAM - FUND 128 P781
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 9,171,100	\$ 9,171,100	\$ 9,171,100	\$ -
Other appropriations	6,846,000	6,846,000	6,846,000	-
Federal funds	7,237,400	7,237,400	3,444,053	(3,793,347)
Other state funds	80,000	80,000	1,728,014	1,648,014
Other financing sources	1,874,800	1,874,800	-	(1,874,800)
Reversion to State General Fund	-	-	(451,875)	(451,875)
	25,209,300	25,209,300	20,737,292	\$ (4,472,008)
 Prior year cash budgeted	 -	 -		
 Total budgeted revenues	 \$ 25,209,300	 \$ 25,209,300		
 Expenditures				
Personal services and benefits	\$ 16,556,300	\$ 15,949,700	14,138,430	\$ 1,811,270
Contract services	3,351,100	3,377,700	2,024,072	1,353,628
Other	5,301,900	5,881,900	4,574,848	1,307,052
Other financing uses	-	-	-	-
	25,209,300	25,209,300	20,737,350	\$ 4,471,950
 Excess (deficiency) of revenue over expenditures			 \$ (58)	

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
SPECIAL MULTI-YEAR APPROPRIATION - REPLACE NMLETS - Ends June 30, 2012 - FUND 128 Z070730
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversion to State General Fund	-	-	(3,809)	(3,809)
Total revenues	-	-	(3,809)	<u>\$ (3,809)</u>
Prior year cash budgeted	<u>706,912</u>	<u>706,912</u>		
Total budgeted revenues	<u>\$ 706,912</u>	<u>\$ 706,912</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	692,532	620,532	618,853	1,679
Other	14,380	86,380	84,250	2,130
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 706,912</u>	<u>\$ 706,912</u>	<u>703,103</u>	<u>\$ 3,809</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (706,912)</u>	

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
SPECIAL MULTI-YEAR APPROPRIATION - WIDE AREA NETWORK CIRCUITS - Ends June 30, 2012 - FUND 128 Z20529
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ 200,000	\$ 200,000	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversion to State General Fund	-	-	-	-
Total revenues	-	200,000	200,000	<u>\$ -</u>
 Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ -</u>	<u>\$ 200,000</u>		
 Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	200,000	-	200,000
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ -</u>	<u>\$ 200,000</u>	-	<u>\$ 200,000</u>
 Excess (deficiency) of revenue over expenditures			<u>\$ 200,000</u>	

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
SUPPLEMENTAL APPROPRIATION - FUEL FOR LAW ENFORCEMENT - Ends June 30, 2012 - FUND 128 Z20629
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ 200,000	\$ 200,000	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversion to State General Fund	-	-	-	-
Total revenues	-	200,000	200,000	<u>\$ -</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ -</u>	<u>\$ 200,000</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	200,000	200,000	-
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ -</u>	<u>\$ 200,000</u>	<u>200,000</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) -
LAW ENFORCEMENT VEHICLES - Ends June 30, 2012 - FUND 090 A093133
CAPITAL PROJECTS FUND**

Year Ended June 30, 2012

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

Inactive funds with no activity continue to be presented in these financial statements since they still legally exist with the State of New Mexico.

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
DNA ID SYSTEM FUND - Ends June 30, 2011 - FUND 090 A073048
CAPITAL PROJECTS FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
Total revenues	-	-	-	\$ -
Prior year cash budgeted	-	-		
Total budgeted revenues	\$ -	\$ -		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	-	-	-
Other financing uses	-	-	-	-
	-	-	-	-
Total budgeted expenditures	\$ -	\$ -	-	\$ -
Excess (deficiency) of revenue over expenditures			\$ -	

Inactive funds with no activity continue to be presented in these financial statements since they still legally exist with the State of New Mexico.

State of New Mexico
Department of Public Safety

SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
NMSP AIRCRAFT REPLACEMENT - Ends June 30, 2011 - FUND 090 A075646
CAPITAL PROJECTS FUND

Year Ended June 30, 2012

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

Inactive funds with no activity continue to be presented in these financial statements since they still legally exist with the State of New Mexico.

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
NMSP DEFIBRILLATORS - Ends June 30, 2011 - FUND 090 A075648
CAPITAL PROJECTS FUND**

Year Ended June 30, 2012

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

Inactive funds with no activity continue to be presented in these financial statements since they still legally exist with the State of New Mexico.

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
FUND 090 - ALL OPEN APPROPRIATIONS
CAPITAL PROJECTS FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
Total revenues	-	-	-	\$ -
Prior year cash budgeted	-	-		
Total budgeted revenues	\$ -	\$ -		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	-	-	-
Other financing uses	-	-	-	-
	-	-	-	-
Total budgeted expenditures	\$ -	\$ -	-	\$ -
Excess (deficiency) of revenue over expenditures			\$ -	

Inactive funds with no activity continue to be presented in these financial statements since they still legally exist with the State of New Mexico.

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
LAW ENFORCEMENT VEHICLES - Ends June 30, 2012 - FUND 892
CAPITAL PROJECTS FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	41	41	-	(41)
Other financing sources	-	297,000	287,910	(9,090)
Reversions	-	-	-	-
	41	297,041	287,910	<u>\$ (9,131)</u>
Total revenues				
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 41</u>	<u>\$ 297,041</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	297,000	287,910	9,090
Other financing uses	41	41	-	41
	41	297,041	287,910	9,131
Total budgeted expenditures	<u>\$ 41</u>	<u>\$ 297,041</u>	<u>287,910</u>	<u>\$ 9,131</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) -
LAW ENFORCEMENT VEHICLES - Ends June 30, 2012 - FUND 931
CAPITAL PROJECTS FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	4,000,000	4,000,000	<u><u>\$ -</u></u>
Prior year cash budgeted	<hr/>	<hr/>		
	-	-		
Total budgeted revenues	<u><u>\$ -</u></u>	<u><u>\$ 4,000,000</u></u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	4,000,000	4,000,000	-
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u><u>\$ -</u></u>	<u><u>\$ 4,000,000</u></u>	4,000,000	<u><u>\$ -</u></u>
Excess (deficiency) of revenue over expenditures			<u><u>\$ -</u></u>	

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
NMSP LAW ENFORCEMENT VEHICLES - Ends June 30, 2012 - FUND 931 A111304
CAPITAL PROJECTS FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	3,000,000	3,000,000	<u>\$ -</u>
	<hr/>	<hr/>		
Prior year cash budgeted	-	-		
	<hr/>	<hr/>		
Total budgeted revenues	<u>\$ -</u>	<u>\$ 3,000,000</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	3,000,000	3,000,000	-
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ -</u>	<u>\$ 3,000,000</u>	3,000,000	<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) -
MTP LAW ENFORCEMENT VEHICLES - Ends June 30, 2012 - FUND 931 A111305
CAPITAL PROJECTS FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	1,000,000	1,000,000	<u>\$ -</u>
	<hr/>	<hr/>		
Prior year cash budgeted	-	-		
	<hr/>	<hr/>		
Total budgeted revenues	<u>\$ -</u>	<u>\$ 1,000,000</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	1,000,000	1,000,000	-
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ -</u>	<u>\$ 1,000,000</u>	1,000,000	<u>\$ -</u>
Excess (deficiency) of revenue over expenditures			<u>\$ -</u>	

State of New Mexico
Department of Public Safety

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

June 30, 2012

	State Chemist Fees	CSA Forfeitures	Orphan Material Recovery	Special Law Enforcement Advanced Training
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 476,575	\$ 83,087	\$ 5,029	\$ 75,679
Cash in banks	-	-	-	-
Cash on hand	-	-	-	-
Due from other funds	84,105	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Due from local government less allowance for doubtful accounts of \$379,548	26,564	-	-	21,487
Total assets	<u>\$ 587,244</u>	<u>\$ 83,087</u>	<u>\$ 5,029</u>	<u>\$ 97,166</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	2,514	-	55,040
Due to State General Fund	-	-	-	42,126
Total liabilities	-	2,514	-	97,166
Fund Balances				
Spendable				
Restricted	587,244	80,573	5,029	-
Total fund balances	<u>587,244</u>	<u>80,573</u>	<u>5,029</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 587,244</u>	<u>\$ 83,087</u>	<u>\$ 5,029</u>	<u>\$ 97,166</u>

Revenue Funds						Total
Federal Forfeitures MTD	Crime Stoppers Rewards	Peace Officers' Fund	Concealed Handgun Carry	Special Donations	ARRA	Non-Major Governmental Funds
\$ -	\$ 23,653	\$ 350,674	\$ 985,416	\$ 5,635	\$ 23,539	\$ 2,029,287
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	213,296	-	-	297,401
-	-	72	-	-	-	72
-	-	-	-	-	-	-
-	-	-	-	-	-	48,051
<u>\$ -</u>	<u>\$ 23,653</u>	<u>\$ 350,746</u>	<u>\$ 1,198,712</u>	<u>\$ 5,635</u>	<u>\$ 23,539</u>	<u>\$ 2,374,811</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,832	\$ 25,832
-	-	-	21,285	-	(2,345)	76,494
-	-	-	-	-	-	42,126
-	-	-	21,285	-	23,487	144,452
-	23,653	350,746	1,177,427	5,635	52	2,230,359
-	23,653	350,746	1,177,427	5,635	52	2,230,359
<u>\$ -</u>	<u>\$ 23,653</u>	<u>\$ 350,746</u>	<u>\$ 1,198,712</u>	<u>\$ 5,635</u>	<u>\$ 23,539</u>	<u>\$ 2,374,811</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, 2012

	State Chemist Fees	CSA Forfeitures	Peace Officers' Fund	Special Concealed Handgun Carry
Revenues				
Federal revenue	\$ -	\$ -	\$ -	\$ -
Other state funds				
Fees	219,549	-	-	427,922
Admissions	-	-	-	-
Forfeitures	-	-	-	-
Other	-	-	-	-
Total revenues	219,549	-	-	427,922
Expenditures				
Public safety	1	(8,689)	-	-
Total expenditures	1	(8,689)	-	-
Excess (deficiency) of revenues over expenditures	219,548	8,689	-	427,922
Other financing sources (uses)				
State General Fund appropriation	-	-	-	-
Reversion to state general fund	-	-	-	-
Other sources	372	-	523	-
Interfund transfers in	-	-	-	-
Interfund transfers out	-	(42,709)	-	-
Total other financing sources (uses)	372	(42,709)	523	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	219,920	(34,020)	523	427,922
Fund balance, beginning	367,324	114,593	350,223	749,505
Fund balance, ending	<u>\$ 587,244</u>	<u>\$ 80,573</u>	<u>\$ 350,746</u>	<u>\$ 1,177,427</u>

Revenue Funds						Total
Federal Forfeitures MTD	Crime Stoppers Rewards	Orphan Material Recovery	Law Enforcement Advanced Training	Special Donations	ARRA	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,457,256	\$ 1,457,256
-	-	-	-	-	-	647,471
-	-	-	171,038	-	-	171,038
-	-	-	-	-	-	-
-	29	-	-	-	-	29
-	29	-	171,038	-	1,457,256	2,275,794
-	-	-	-	-	1,457,256	1,448,568
-	-	-	-	-	1,457,256	1,448,568
-	29	-	171,038	-	-	827,226
-	-	-	-	-	-	-
-	-	-	(42,126)	-	-	(42,126)
-	-	-	-	-	52	947
-	-	-	-	-	-	-
-	-	-	(128,912)	-	-	(171,621)
-	-	-	(171,038)	-	52	(212,800)
-	29	-	-	-	52	614,426
-	23,624	5,029	-	5,635	-	1,615,933
<u>\$ -</u>	<u>\$ 23,653</u>	<u>\$ 5,029</u>	<u>\$ -</u>	<u>\$ 5,635</u>	<u>\$ 52</u>	<u>\$ 2,230,359</u>

State of New Mexico
Department of Public Safety

**MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
STATE CHEMIST FEES - FUND 272**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ 478,700	\$ 478,700	\$ 219,920	\$ (258,780)
Total revenues	478,700	478,700	219,920	<u>\$ (258,780)</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 478,700</u>	<u>\$ 478,700</u>		
Expenditures				
Other financing uses	\$ 578,700	\$ 578,700	-	\$ 578,700
Total budgeted expenditures	<u>\$ 578,700</u>	<u>\$ 578,700</u>	-	<u>\$ 578,700</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 219,920</u>	

State of New Mexico
Department of Public Safety

**MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
CSA STATE FORFEITURES - FUND 342**

Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Other state funds	\$ -	\$ -	\$ 8,689	\$ 8,689
Total revenues	-	-	8,689	<u>\$ 8,689</u>
Prior year cash budgeted	<u>60,000</u>	<u>60,000</u>		
Total budgeted revenues	<u>\$ 60,000</u>	<u>\$ 60,000</u>		
Expenditures				
Other financing uses	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>42,709</u>	<u>\$ 17,291</u>
Total budgeted expenditures	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>42,709</u>	<u>\$ 17,291</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (34,020)</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 346**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ -	\$ -	\$ 523	\$ 523
Total revenues	-	-	523	<u>\$ 523</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ -</u>	<u>\$ -</u>		
Expenditures				
Other financing uses	\$ -	\$ -	-	\$ -
Total budgeted expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 523</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 594**

Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Other state funds	\$ 403,600	\$ 403,600	\$ 427,922	\$ 24,322
Total revenues	403,600	403,600	427,922	<u>\$ 24,322</u>
Prior year cash budgeted	<u>145,000</u>	<u>145,000</u>		
Total budgeted revenues	<u>\$ 548,600</u>	<u>\$ 548,600</u>		
Expenditures				
Other financing uses	\$ 548,600	\$ 548,600	-	\$ 548,600
Total budgeted expenditures	<u>\$ 548,600</u>	<u>\$ 548,600</u>	-	<u>\$ 548,600</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 427,922</u>	

State of New Mexico
Department of Public Safety

**SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
ORPHAN HAZARDOUS MATERIALS - FUND 670**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	\$ -
Prior year cash budgeted	-	-		
Total budgeted revenues	\$ -	\$ -		
Expenditures				
Other financing uses	\$ -	-	-	-
Total budgeted expenditures	\$ -	\$ -	-	\$ -
Excess (deficiency) of revenue over expenditures			\$ -	

Inactive funds with no activity continue to be presented in these financial statements since they still legally exist with the State of New Mexico.

State of New Mexico
Department of Public Safety

**SPECIAL REVENUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
ADVANCED TRAINING FEES - FUND 786**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ 292,700	\$ 292,700	\$ 171,038	\$ (121,662)
Reversion to State General Fund	-	-	(42,126)	(42,126)
	292,700	292,700	128,912	<u>\$ (163,788)</u>
Total revenues				
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 292,700</u>	<u>\$ 292,700</u>		
Expenditures				
Other financing uses	\$ 292,700	\$ 292,700	128,912	\$ 163,788
Total budgeted expenditures	<u>\$ 292,700</u>	<u>\$ 292,700</u>	128,912	<u>\$ 163,788</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) -
SPECIAL DONATIONS - FUND 882**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	\$ -
Prior year cash budgeted	-	-		
Total budgeted revenues	\$ -	\$ -		
Expenditures				
Other financing uses	\$ -	-	-	-
Total budgeted expenditures	\$ -	\$ -	-	\$ -
Excess (deficiency) of revenue over expenditures			\$ -	

Inactive funds with no activity continue to be presented in these financial statements since they still legally exist with the State of New Mexico.

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890
PROGRAM RECAP**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	1,406,300	1,666,300	1,457,256	(209,044)
Other state funds	-	-	-	-
Other financing sources	-	-	52	52
Reversions	-	-	-	-
	1,406,300	1,666,300	1,457,308	<u>\$ (208,992)</u>
 Total revenues	 1,406,300	 1,666,300	 1,457,308	 <u>\$ (208,992)</u>
 Prior year cash budgeted	 -	 -		
 Total budgeted revenues	 <u>\$ 1,406,300</u>	 <u>\$ 1,666,300</u>		
 Expenditures				
Personal services and benefits	\$ 244,021	\$ 76,940	76,940	\$ -
Contract services	162,042	162,042	99,986	62,056
Other	1,000,237	1,426,528	1,280,330	146,198
Other financing uses	-	-	-	-
	1,406,300	1,665,510	1,457,256	<u>\$ 208,254</u>
 Total budgeted expenditures	 <u>\$ 1,406,300</u>	 <u>\$ 1,665,510</u>	 1,457,256	 <u>\$ 208,254</u>
 Excess (deficiency) of revenue over expenditures			 <u>\$ 52</u>	

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890
US DEPARTMENT OF JUSTICE - JUSTICE ASSISTANCE GRANT**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	548,758	548,758	485,708	(63,050)
Other state funds	-	-	-	-
Other financing sources	-	-	52	52
Reversions	-	-	-	-
	548,758	548,758	485,760	<u>\$ (62,998)</u>
Total revenues				
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 548,758</u>	<u>\$ 548,758</u>		
Expenditures				
Personal services and benefits	\$ 244,021	\$ 76,940	76,940	\$ -
Contract services	54,500	55,290	-	55,290
Other	250,237	416,528	408,768	7,760
Other financing uses	-	-	-	-
	548,758	548,758	485,708	<u>\$ 63,050</u>
Total budgeted expenditures				
Excess (deficiency) of revenue over expenditures			<u>\$ 52</u>	

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890 R1DOJ00001
STATE GOVERNMENT SUB-GRANTS**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	30,277	259,878	259,878	-
Other state funds	-	-	-	-
Other financing sources	-	-	46	46
Reversions	-	-	-	-
	30,277	259,878	259,924	<u>\$ 46</u>
Total revenues				
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 30,277</u>	<u>\$ 259,878</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	30,277	259,878	259,878	-
Other financing uses	-	-	-	-
	30,277	259,878	259,878	-
Total budgeted expenditures	<u>\$ 30,277</u>	<u>\$ 259,878</u>	<u>259,878</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 46</u>	

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890 R1DOJ00001
LOCAL GOVERNMENT SUB-GRANTS**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	188,729	138,181	138,181	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
	188,729	138,181	138,181	\$ -
Total revenues	188,729	138,181	138,181	<u>\$ -</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	\$ 188,729	\$ 138,181		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	188,729	138,181	138,181	-
Other financing uses	-	-	-	-
	188,729	138,181	138,181	\$ -
Total budgeted expenditures	\$ 188,729	\$ 138,181	138,181	\$ -
Excess (deficiency) of revenue over expenditures			\$ -	

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890 R1DOJ10001
ADMINISTRATION**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	329,752	150,699	87,649	(63,050)
Other state funds	-	-	-	-
Other financing sources	-	-	6	6
Reversions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	329,752	150,699	87,655	<u>\$ (63,044)</u>
	<hr/>	<hr/>		
Prior year cash budgeted	-	-		
	<hr/>	<hr/>		
Total budgeted revenues	<u>\$ 329,752</u>	<u>\$ 150,699</u>		
Expenditures				
Personal services and benefits	\$ 244,021	\$ 76,940	76,940	\$ -
Contract services	54,500	55,290	-	55,290
Other	31,231	18,469	10,709	7,760
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 329,752</u>	<u>\$ 150,699</u>	<u>87,649</u>	<u>\$ 63,050</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 6</u>	

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890
GOVERNMENT SERVICES FUND**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	857,542	1,117,542	971,548	(145,994)
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
Total revenues	857,542	1,117,542	971,548	\$ (145,994)
 Prior year cash budgeted	 -	 -		
 Total budgeted revenues	 <u>\$ 857,542</u>	 <u>\$ 1,117,542</u>		
 Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	107,542	107,542	99,986	7,556
Other	-	1,010,000	871,562	138,438
Other financing uses	-	-	-	-
 Total budgeted expenditures	 <u>\$ 107,542</u>	 <u>\$ 1,117,542</u>	 <u>971,548</u>	 <u>\$ 145,994</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) -
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890 R1ED000002
GSF - PATROL VEHICLES AND FUEL**

Year Ended June 30, 2012

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

Inactive funds with no activity continue to be presented in these financial statements since they still legally exist with the State of New Mexico.

State of New Mexico
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (BUDGETARY BASIS) -
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890 R1ED000002
GSF - FUEL**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	750,000	750,000	750,000	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	750,000	750,000	750,000	<u>\$ -</u>
	<hr/>	<hr/>		
Prior year cash budgeted	-	-		
	<hr/>	<hr/>		
Total budgeted revenues	<u>\$ 750,000</u>	<u>\$ 750,000</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	750,000	750,000	-
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ -</u>	<u>\$ 750,000</u>	750,000	<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) -
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890 R1ED002002
GSF - ANIMAL PROTECTION**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	107,542	237,542	99,986	(137,556)
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
	107,542	237,542	99,986	<u>\$ (137,556)</u>
Total revenues				
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 107,542</u>	<u>\$ 237,542</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	107,542	107,542	99,986	7,556
Other	-	130,000	-	130,000
Other financing uses	-	-	-	-
	107,542	237,542	99,986	<u>\$ 137,556</u>
Total budgeted expenditures				
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) -
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890 R1ED002002
GSF - IT CRIMINAL JUSTICE DATA SHARING**

Year Ended June 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	130,000	121,562	(8,438)
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
	-	130,000	121,562	<u>\$ (8,438)</u>
Total revenues	-	130,000	121,562	<u>\$ (8,438)</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	\$ -	\$ 130,000		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	130,000	121,562	8,438
Other financing uses	-	-	-	-
	-	-	-	-
Total budgeted expenditures	\$ -	\$ 130,000	121,562	\$ 8,438
Excess (deficiency) of revenue over expenditures			\$ -	

State of New Mexico
Department of Public Safety

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
AGENCY FUNDS**

June 30, 2012

	<u>DNA Fund</u>	<u>Evidence Fund</u>	<u>Governmental Gross Receipts Tax Fund</u>	<u>Total</u>
ASSETS				
Interest in State Treasurer General Fund Investment Pool	<u>\$ 65,953</u>	<u>\$ 116,463</u>	<u>\$ -</u>	<u>\$ 182,416</u>
Total assets	<u><u>\$ 65,953</u></u>	<u><u>\$ 116,463</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 182,416</u></u>
LIABILITIES				
Assets held for others	<u>\$ 65,953</u>	<u>\$ 116,463</u>	<u>\$ -</u>	<u>\$ 182,416</u>
Total liabilities	<u><u>\$ 65,953</u></u>	<u><u>\$ 116,463</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 182,416</u></u>

State of New Mexico
Department of Public Safety

**SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS AND LIABILITIES
AGENCY FUNDS**

June 30, 2012

	Balance June 30, 2011	Additions	(Deductions)	Balance June 30, 2012
DNA Fund (402000)				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 127,641	\$ 223,312	\$ (285,000)	\$ 65,953
LIABILITIES				
Assets held for others	\$ 127,641	\$ 223,312	\$ (285,000)	\$ 65,953
Evidence Fund (105600)				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 102,700	\$ 63,763	\$ (50,000)	\$ 116,463
LIABILITIES				
Assets held for others	\$ 102,700	\$ 63,763	\$ (50,000)	\$ 116,463
Governmental Gross Receipts Tax Fund (787000)				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-
	\$ -	\$ -	\$ -	\$ -
LIABILITIES				
Assets held for others	\$ -	\$ -	\$ -	\$ -
Total Agency Funds				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 230,341	\$ 287,075	\$ (335,000)	\$ 182,416
LIABILITIES				
Assets held for others	\$ 230,341	\$ 287,075	\$ (335,000)	\$ 182,416

State of New Mexico
Department of Public Safety

SCHEDULE OF CASH

June 30, 2012

Name of Depository	Account Name	SHARE Fund No.	Type of Account	Interest Bearing	Bank Balance at June 30, 2012	Reconciled Balance at June 30, 2012
Governmental Fund Types						
General Fund						
New Mexico State Treasurer	Department of Public Safety	128000	State Treasury	No	\$ 7,527,253	\$ 7,527,253
New Mexico State Treasurer	Local Law Enforcement Block Grant	696000	State Treasury	No	-	-
Wells Fargo Bank	Contingency Fund Account	128000	Wells Fargo - Checking	No	6,759	6,759
	SID Regular Contingency	128000	Cash on Hand	N/A	-	3,922
	SID - DOH Cigarette/Tobacco	128000	Cash on Hand	N/A	-	1,123
	Petty Cash and Change Funds	128000	Cash on Hand	N/A	-	14,300
Wells Fargo Bank	SID Contingency Fund Account	128000	Wells Fargo - Checking	No	3,910	3,910
Total General Fund Cash					7,537,922	7,557,267
Special Revenue Funds						
New Mexico State Treasurer	Forfeitures CSA	342000	State Treasury	No	83,087	83,087
New Mexico State Treasurer	Federal Forfeitures	343000	State Treasury	No	1,725,143	1,725,143
New Mexico State Treasurer	DPS - Peace Officers Survival Fund	346000	State Treasury	No	350,674	350,674
New Mexico State Treasurer	DPS - Governmental Gross Receipts	787000	State Treasury	No	-	-
New Mexico State Treasurer	ARRA	890000	State Treasury	No	-	23,539
New Mexico State Treasurer	Orphan Material Recovery	670000	State Treasury	No	5,029	5,029
New Mexico State Treasurer	Law Enforcement Training	786000	State Treasury	No	75,679	75,679
New Mexico State Treasurer	Concealed Carry Handgun	594000	State Treasury	No	985,416	985,416
New Mexico State Treasurer	State Chemist Fees	272000	State Treasury	No	476,575	476,575
New Mexico State Treasurer	Crime Stopper Commission	904000	State Treasury	No	-	-
Bank of America	Crime Stoppers Rewards	894000	Checking	No	23,653	23,653
Bank of America	Procurement of Evidence	128000	Checking	No	51,906	51,906
	Cash w/Undercover Agents - Narc	128000	Cash on Hand	N/A	-	18,648
	Cash in vault - Federal Forfeitures	343000	Cash in Vault	N/A	-	100,000
New Mexico State Treasurer	Special Donations	882000	State Treasury	No	5,635	5,635
Total Special Revenue Funds					3,782,797	3,924,984
Capital Projects						
New Mexico State Treasurer	Capital Projects	090000	State Treasury	No	100,899	100,899
New Mexico State Treasurer	Capital Projects	892000	State Treasury	No	-	-
New Mexico State Treasurer	Capital Projects	931000	State Treasury	No	633,211	633,211
Total Capital Projects Funds					734,110	734,110
Total Governmental Fund Types					12,054,829	12,216,361
Fiduciary Fund Types						
Agency Funds						
New Mexico State Treasurer	DPS - DNA Identification Fund	402000	State Treasury	No	65,953	65,953
New Mexico State Treasurer	Cash in Vault - Confiscated Evidence	105600	Cash on Hand	No	-	116,463
Total Agency Funds					65,953	182,416
Total Cash					\$ 12,120,782	\$ 12,398,777

State of New Mexico
Department of Public Safety

**SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING
PROFESSIONAL SERVICES CONTRACTS – EXECUTED/IN PLACE**

Year Ended June 30, 2012

Contractor	FY12 Dollar Amt	Description of Services	Effective Date	End Date
ACS Permitting (PSC)	\$317,792	Permitting maintenance (software & hardware) and support MTD	7/1/08	6/30/12
ACS CVIEW (PSC)	\$76,561	CVIEW Maintenance MTD	7/1/08	6/30/12
Advanced Measurement Tech (PSC)	\$30,000	IT Maintenance Contract (MTD)	1/13/11	11/30/11
Animal Protection of NM (PSC)	\$99,986	Animal Protection Svcs	12/17/10	9/30/11
Applied Biosystems (PSC)	\$0	DNA Lab validation	7/1/10	6/30/12
Applied Biosystems Amendment One (PSC)	\$75,000	Amendment to extend term	5/13/11	6/30/12
Computer Projects of IL (PSC-IT Maintenance)	\$528,000	Maintenance and Extended Warranty on NMLETS system	8/16/11	5/13/14
Computer Projects of IL (PSC)	\$0	Assist DPS in implementing system that supports local criminal justice agency access to state & natl law enforcement databases	9/28/09	8/31/13
Computer Projects of IL Amendment 1 (PSC-IT)	\$26,281	Deleting/Adding deliverables to NMLETS contract	8/16/11	8/31/13
Computer Projects of IL (PSC Amendment 2)	\$184,213	Amendment 2 CJIS online security and awareness training module license and setup	5/22/12	8/31/13
Dr. Lori Martinez Conticelli (PSC)	\$37,800	Psychological Services	7/1/11	6/30/12
Diverse Computing (PSC)	\$0	Assist DPS in implementing a query based module that supports wired & laptop computers in patrol vehicles access to state and natl law enforcement databases	9/28/09	8/31/13
Diverse Computing/Amendment 1 (PSC)	\$20,000	Remove Deliverable Number 2 and change Deliverable 7	4/13/10	8/31/13
Diverse Computing Inc/Amendment 2 (PSC IT)	\$125,000	Adding deliverable: Smartphone Application License	11/16/11	8/31/13
Forensic Behavioral Health Assoc LLC (PSC)	\$40,600	First Crisis Response Training Summit	11/24/11	6/30/12
Forensic Behavioral Health Assoc LLC (PSC)	\$7,000	Four Train-the-Trainer Crisis Response Courses	3/6/12	6/30/12
Forensic Behavioral Health (PSC)	\$35,000	Psychological Exams	5/31/12	6/30/12
Intelligent Imaging Inc.	\$0	Smart Roadside Enforcement System	2/19/09	2/19/13
Intelligent Imaging Inc. Amendment 1 (PSC)	\$0	Add San Jon to Project	11/6/09	2/19/13
Intelligent Imaging Amendment 2 (PSC)	\$0	Adding dollars and deliverables	9/24/10	2/19/13
Intelligent Imaging Amendment 3 (PSC)	\$0	Extension of term to 2/19/13	2/20/11	2/19/13
Intelligent Imaging Systems Amendment 4 (PSC)	\$0	Change to deliverable due dates only on Amendment 2	3/28/11	2/19/13
Intelligent Imaging (PSC IT) Amendment 5	\$1,284,506	Additional sites for MTPD Smart Portal	11/17/11	2/19/13
Intelligent Imaging (PSC IT)	\$199,980	IT Software/Hardware Maintenance Contract	10/5/11	10/4/12
International Road (PSC)	\$43,703	Maintenance & Support of Weigh-In Motion Scales MTPD	7/1/11	6/30/12
Medworks (PSC)	Exam based	Physical exams	7/1/09	7/17/13
Morphotrak IT Maintenance (IT PSC)	\$425,000	AFIS Maintenance	5/18/10	5/15/14
Moss Adams (PSC)	\$89,085	Audit Svcs	7/1/11	6/30/12
Motorola (PSC)	\$257,254	CAD Maintenance	8/28/08	6/30/12
Dr. Elisabeth Pery (PSC)	\$49,980	Psychological Exams	7/1/11	6/30/12
POD Inc. (MTPD) (PSC)	\$42,430	Development of RFP for new Permitting System for MTPD	3/9/12	3/8/13
POD Inc. (HR) (PSC)	\$25,832	SHARE modifications	3/29/12	3/28/13
RegScan (IT PSC)	\$0	Provide Hazmat Transportation Enforcement Integrated Software Service	3/16/11	3/1/12
Ron Smith & Assoc (TESD) (PSC)	\$23,170	Latent print processing/evaluation/comparison/database searching of AFIS suitable Latent Prints	4/19/12	6/30/12
Ron Smith & Assoc (TESD) (PSC), Amendment One	\$23,170	Latent print processing/evaluation/comparison/database searching of AFIS suitable Latent Prints	5/10/12	6/30/12
Scenario Training Alliance (PSC)	\$32,500	Scenario training for LEA cadet class #182 and #183	9/22/11	6/30/12
TACT and Assoc (PSC)	\$24,950	Advanced Crash Investigation Course	12/12/11	6/30/12
TACT and Assoc (PSC)	\$24,950	At Scene Crash Investigation Course	12/12/11	6/30/12

State of New Mexico
Department of Public Safety

**SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING –
CONTINUED
EXECUTED/IN PLACE**

Year Ended June 30, 2012

Contractor	FY12 Dollar Amt	Description of Services	Effective Date	End Date
JPA:				
Bernalillo County (JPA)	\$0	E911 equipment use/maintenance at District 5 Albuquerque	11/24/09	Upon notice
BLM	\$0	Officer involved shooting procedures	7/26/10	7/25/15
Bur of Reclamation	\$20,000 per year	US Dept of Interior/transfer of funds for law enforcement, emergency medical assistance and	6/9/08	9/30/12
Chaves County/Roswell PD/DPS (JPA)	\$0	Officer involved incident investigations	3/24/09	Upon notice
City of Albuquerque for Abq Police Dept (JPA)	\$0	Designate APD Crime Lab as the agency that administers and operates the DNA ID System	1/3/11	Upon notice
DOH (JPA)	\$150,000	Coordinate compliance and enforcement of Tobacco Products Act	10/21/11	6/30/12
Dona Ana County/Las Cruces Police/NMSU Police/DPS (JPA)	\$0	Officer-involved incident investigations	10/14/09	Upon notice
Energy Minerals & Nat Rscs (JPA)	\$0	WIPP	5/12/08	Upon notice
McKinley County/Gallup PD/DPS (JPA)	\$0	Officer involved incident investigations	3/24/09	Upon notice
Mesilla Valley Dispatch Auth (JPA)	\$0	E911 Service to Dona Ana County	4/19/06	Upon notice
NM State Fair Comm EXPO NM (JPA)	\$158,000 (revenue)	Law enforcement at 2011 NM State Fair	8/18/11	2/28/12
NMSU (JPA)	\$120,000 (revenue, for 3 years)	Law enforcement at NMSU events	8/31/11	8/30/14
San Juan County/Aztec, Bloomfield, Farmington Police/DPS (JPA)	\$0	Officer-involved incident investigations	8/27/09	Upon notice
San Juan Criminal Just Trng Auth (JPA)	\$0	Participation in joint training facility	12/20/10	Upon notice
Santa Fe County (JPA)	\$0	E911 equipment usage Emergency Comm center	11/17/09	Upon notice
Sierra County (JPA)	\$0	Authorize County Regional Dispatch Authority to use NM State Police CAD	3/20/12	3/19/16
UNM (JPA)	\$40,000 per year	Law enforcement at special events	8/8/11	6/30/13
US Dept of Interior (Brantley) (JPA)	\$20,000 (revenue per yr)	Law enforcement, emergency medical assistance and security at selected areas of Brantley	6/9/08	9/30/12
Village of Maxwell (JPA)	\$0	Law Enforcement Services	7/8/10	6/30/15
Village of Pecos (JPA)	\$0	Law Enforcement Services	7/1/00	Upon notice
Village of Ruidoso (JPA)	\$22,594	Lease of Office Space	7/1/10	Upon notice
Village of Wagon Mound (JPA)	\$0	Law Enforcement Services	7/26/10	6/30/15

State of New Mexico
Department of Public Safety

**SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING –
CONTINUED
EXECUTED/IN PLACE**

Year Ended June 30, 2012

Contractor	FY12 Dollar Amt	Description of Services	Effective Date	End Date
MOU:				
Administrative Office of the Courts (MOU)	\$50,000	Conduct Warrant Round-ups	12/12/11	6/30/12
Aging & Long Term Svcs Dept (ALTSD) (MOU)	\$0	Participation in training and services to end violence against women later in life	1/27/09	1/26/12
Albuquerque Police Dept (MOU)	\$0	Use of Abq PD Firing Range	4/7/10	Upon notice
CO Dept of Revenue (MOU)	\$0	Enforcement and tax collection process defined between NM MTPD and CO Dept of Revenue	7/19/10	7/30/14
Defense Courier Station CO Springs (MOU)/NM State Police and MTD	\$0	Procedure for handling US Transportation Command (USTRANSCOM) Defense Courier vehicles	3/31/10	Upon notice
Dept of Info Tech NM (DoIT) (MOU)	\$0	Loan of DPS owned vehicle for DoIT to use to reach hard to access locations for Law Enforcement communications	5/2/12	Upon notice
Diamond Heavy Haul MTPD (MOU)	\$100,000 (revenue)	Law Enforcement Security for movement of 32' wide proto type air vehicle for Northop Grumman from New Mexico/Arizona state line across Interstate 40, US 285 and exit into Texas on US 60	12/6/11	9/1/12
FBI (MOU)	\$0	Participation in Regional Computer Forensics Lab (RCFL)	12/15/09	12/14/11
FBI (MOU)	OT Reimbursement	So. NM Gang Task Force	2/19/10	Upon notice
FBI (MOU)	Cost reimbursement	Joint Terrorism Task Force	7/26/05	Upon notice
FBI (MOU)	\$0	Understanding re transmitting, receiving, and storage of info in NCIC system	4/25/08	Upon notice
FNF Construction (MOU)	\$25,000	Traffic enforcement at hwy construction site	6/13/11	12/31/11
Global Perspective (MOU)	\$10,000	DPS Participation in Governor's Border Conf	5/11/12	Upon Notice
Immigration & Customs Enforcement (ICE) (MOU)	\$16,500/officer/year (revenue)	Procedure/terms for reimbursement from ICE of costs incurred by DPS in providing resources to joint operations/task forces	2/17/10	Upon notice
Las Cruces Police Dept, Special Response Team (SWAT) (MOU)	\$0	Mutual law enforcement assistance at special situations	7/5/11	Upon notice
Mountain States Constructors (MOU)	\$50,000 (revenue)	Traffic enforcement at highway construction site	2/2/10	9/1/11
Mountain States Constructors (MOU)	\$80,000 (revenue)	Traffic Enforcement on I25 MP 239.686 to MP 242.208	12/17/10	9/15/11
NM Gang Task Force (MOU)	\$0	Participation in NM Gang Task Force	2/17/11	2/17/14

State of New Mexico
Department of Public Safety

**SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING –
CONTINUED
EXECUTED/IN PLACE**

Year Ended June 30, 2012

Contractor	FY12 Dollar Amt	Description of Services	Effective Date	End Date
MOU:				
NM Natl Guard (MOU)	\$0	Natl Guard use of DPS Range Complex	2/10/12	6/30/15
NM State Fair Comm (MOU)	\$38/hr	Provide assistance & security at State Fairground events (other than the State Fair)	6/30/08	Upon notice
Northern Mountain Constructors (MOU)	\$2058 (revenue)	Traffic enforcement at hwy construction site	6/13/11	7/8/11
Operation Stonegarden/Dona Ana County/DPS(MOU)	\$540,000 (revenue)	Law enforcement services on the US/Mexico border in support of US Border Patrol	2/9/10	9/30/11
Operation Stonegarden/Grant County/DPS (MOU)	\$250,000 (revenue)	Law enforcement services on the US/Mexico border in support of US Border Patrol	11/20/09	9/30/11
Operation Stonegarden/Hidalgo County/DPS (MOU)	\$200,000 (revenue)	Law enforcement services on the US/Mexico border in support of US Border Patrol	11/18/09	9/30/11
Operation Stonegarden MTPD Hidalgo County (MOU)	\$129,220 (revenue)	Law Enforcement Svcs in support of US Border Patrol & Customs Protection - El Paso Sector	10/1/10	9/30/13
Operation Stonegarden NMSP Hidalgo County (MOU)	\$129,054 (revenue)	Law Enforcement Svcs in support of US Border Patrol & Customs Protection - El Paso Sector	10/1/10	9/30/13
Operation Stonegarden/Luna County (MOU)	\$339,310 (revenue)	Law enforcement services on the US/Mexico border in support of US Border Patrol	10/26/09	9/30/11
Operation Stonegarden Luna County (MOU)	\$165,696 (revenue)	Border Safety	7/6/11	6/30/12
Operation Stonegarden Luna County (MOU)	\$115,976 (revenue)	Border Safety	7/6/11	9/30/12
Property Control Division (PCD) (MOU)	\$116,000 (xfer of funds)	Transfer of funds to design/construct and furnish Espanola district office addition	3/22/10	6/30/13
San Felipe Travel Center (MOU)	\$2,160 (revenue)	Traffic control at July fireworks	6/12/12	7/5/12
Santa Fe County Sheriff's Office (MOU)	\$3,222 (revenue)	DWI Warrant roundups	9/22/11	9/30/11
Santa Fe Police Dept (MOU)	\$3,222 (revenue)	DWI Warrant roundups	9/21/11	9/30/11
Skanska (MOU)	\$12,049 (revenue)	Traffic monitoring and patrolling US 84/285 from MM 183.215 to MM 185.223.	1/12/12	6/1/12
Strategic Applications (MOU)	\$0	Meth Consultant Position	6/1/10	7/31/11
US Army Garrison (WSMR) (MOU)	\$0	Define and delineate responsibilities between US Army White Sands and NMSPD	7/17/09	Upon notice
US Dept of Justice (MOU)	\$0	MTD (one officer) Participation in OCADETF Strike Force/to dismantle major drug and firearms trafficking	3/2/11	Upon notice
USDOJ/DEA (MOU)	\$0	Participation in Natl Forensic Lab Info System (NFLIS)	6/23/11	Upon notice
USDA Forest Svc/Cibola Natl Forest (MOU)	\$0	Search and Rescue Missions	4/5/12	5/31/15
USDA Forest Svc/Gila Natl Forest (MOU)	\$0	Define relationship re search & rescue efforts within and near Gila	6/10/10	12/31/18

State of New Mexico
Department of Public Safety

**SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING –
CONTINUED
MISCELLANEOUS AGREEMENTS – EXECUTED/IN PLACE**

Year Ended June 30, 2012

Contractor	FY12 Dollar Amt	Description of Services	Effective Date	End Date
BLM - L08PX02232 Fed contract	\$5,700 (revenue)	Patrols for Pilar, Orilla Verde, John Dunn, Wild Rivers, Option year 3	5/1/11	4/30/12
BLM - L08PX02232 Fed contract	\$5,700 (revenue)	Patrols for Pilar, Orilla Verde, John Dunn, Wild Rivers, Option year 4	5/2/12	4/30/13
CYFD (Agrmnt)	\$0	CYFD-SID/Amendment extending validity to FY11 underage drinking prevention	5/11/11	8/31/11
CYFD (Agrmnt)	\$100,000 (revenue)	Reduce access to and use of alcohol in youth (SID project)	10/13/11	8/31/12
DEA HIDTA Task Force Agrmnt NMSP for Albuquerque	\$17,202 per officer (revenue)	Task force for prevention of trafficking in narcotics and dangerous drugs	10/1/10	9/30/11
DEA HIDTA Task Force Agrmnt MTD for Cruces	\$17,202 per officer (revenue)	Drug Trafficking Prevention Cruces area	10/1/10	9/30/11
DEA HIDTA Task Force Agrmnt NMSP for Cruces	\$17,202 per officer (revenue)	Drug Trafficking Prevention Cruces area	10/1/10	9/30/11
DEA Task Force Agrmnt MTD for Albuquerque	\$17,202 per officer (revenue)	Task force for prevention of trafficking in narcotics and dangerous drugs	10/1/10	9/30/11
Dept of Transportation/MTD (MOA)	\$0	Define responsibilities of the parties as related to the POE Smart Roadside Info System	6/23/09	Upon notice
DHS/DNDO (Domestic Nuclear Detection Office) (Coop Agrmnt and MOA)	\$0	Federal/Agrmnt and MOA covering supply/trng/use of rad detection equipment to MTD and NMSP	CRADA: 3/15/11; MOA: 4/4/11	MOA: Upon notice CRADA: 3/14/12
Human Svcs Dept (Govt Svcs Agreement)	\$262,397 (revenue)	Tobacco Enforcement	12/30/11	9/30/14
LexisNexis (Agreement)	\$0	eCrash Electronic Police Record Portal Services	2/3/12	2/2/15
Natl Park Service/Pecos Natl Historical Park (Mutual Aid)	\$0	Mutual law enforcement assistance in and near the Pecos Natl Historical Park	12/1/08	12/1/13
NM Sentencing Commission (Inter Govt)	\$42,284	DPS Staffing Study	3/26/12	9/30/12
Sandoval County (Inter Govt)	\$0	Authorize county to use State Police Car to Car and LEN Radio Frequency	6/30/11	6/30/15
San Miguel County (Inter Govt)	\$30,000 (revenue)	Participation in DPS Comm Center	7/12/11	7/11/15
TRD/DPS-MTPD (Intra Govt)	\$730,000 (xfer from TRD)	Funding for temp employees and License Plate Readers	10/20/10	6/30/15
TRD/DPS-MTPD Amend 1 to Oct 2010 agreement (Intra Govt)	\$385,927 total (xfer from TRD)	Transfer/add funds to Oct 2010 agreement	1/3/12	6/30/15
UNM (Inter Govt)	\$18,000	Medical Director (Kassetas)	7/1/11	6/30/12
UNM/Inst for Social Research (Inter Govt)	\$9,793.00	JAG Evaluator	4/4/12	7/3/13
USDA Forest Svc Santa Fe & Carson Natl Forest/ Law Enforcement Ops Plan 12-LE-11030200-001	\$17,000 (revenue)	Patrols of Santa Fe and Carson Natl Forest	10/1/11	9/30/12
USDA Forest Svc Santa Fe & Carson Natl Forest/Master Agrmnt 12-LE-11030200-001	\$17,000/year (revenue)	Master Agrmnt governing patrols of Santa Fe & Carson Natl Forests	2/7/12	9/30/17
USDA Forest Svc Carson Intl Forest Ops Plan 11-LE-11030200-024	\$10,000 (revenue)	Forest Patrols	8/16/11	9/30/11
USDA Forest Svc Santa Fe Intl Forest Ops Plan 11-LE-11031000-012	\$7,000 (revenue)	Forest Patrols	7/21/11	9/30/11
USDOJ-DEA Task Force Agrmnt, SWNML0254H	\$5,000 (revenue)	Organized Crime Drug Enforcement Task Force (OCDEF)/MTPD participation of two officers	3/1/12	3/31/12

State of New Mexico
Department of Public Safety

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY GRANT

For the Year Ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures (\$)</u>
Highway Safety Cluster-Cluster			
Department of Transportation Direct Programs			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		\$ 352,272
Safety Belt Performance Grants	20.609		1,201
			<hr/>
Total Highway Safety Cluster-Cluster			353,473
Homeland Security Cluster-Cluster			
Department of Homeland Security Direct Programs			
Homeland Security Grant Program	97.067		593,369
			<hr/>
Total Homeland Security Cluster-Cluster			593,369
JAG Program Cluster-Cluster			
United States Department of Justice Direct Programs			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	See Note B	2,379,588
JAG Program/Grants to States and Territories	16.803	See Note B	485,708
			<hr/>
Total JAG Program Cluster-Cluster			2,865,296
State Fiscal Stabilization Fund Cluster-Cluster			
Department of Education Direct Programs			
ARRA-State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	See Note B	971,548
			<hr/>
Total State Fiscal Stabilization Fund Cluster-Cluster			971,548
Other Programs			
Default Agency Direct Programs			
High Intensity Drug Trafficking Areas Program	95.001		652,697
<i>Total Default Agency</i>			<hr/> 652,697
Department of Homeland Security Direct Programs			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		9,945
NM State Police Immigration & Customs Enforcement	97.XXX		10,413
<i>Total Department of Homeland Security Direct Programs</i>			<hr/> 20,358

State of New Mexico
Department of Public Safety

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY GRANT – CONTINUED

For the Year Ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures (\$)</u>
Other Programs			
Department of Energy Direct Programs			
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106		477,590
<i>Total Department of Energy</i>			<u>477,590</u>
Department of the Interior Direct Programs			
Brantley Project	15.515		24,079
<i>Total Department of the Interior</i>			<u>24,079</u>
United States Department of Justice Direct Programs			
AGI Administration and Flow Through	16.744	See Note B	7,702
Bulletproof Vest Partnership Program	16.607	See Note B	51,300
Enforcing Underage Drinking Laws Program	16.727		60,739
FBI REG3	16.XXX		21,690
Forensic DNA Backlog Reduction Program	16.741	See Note B	695,795
Law Enforcement Assistance - FBI Crime Laboratory Support	16.301		32,298
National Criminal History Improvement Program (NCHIP)	16.554	See Note B	53,549
Office of National Drug Control Policy	16.XXX		123,017
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	See Note B	232,017
Project Safe Neighborhoods	16.609	See Note B	141,718
Public Safety Partnership and Community Policing Grants	16.710	See Note B	415,386
Residential Substance Abuse Treatment for State Prisoners	16.593		88,761
Support for Adam Walsh Act Implementation Grant Program	16.750	See Note B	2,996
<i>Total United States Department of Justice Direct Programs</i>			<u>1,926,968</u>
Department of Transportation Direct Programs			
Border Enforcement Grants	20.233		836,993
Commercial Vehicle Information Systems and Networks	20.237		123,684
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608		441,803
National Motor Carrier Safety	20.218		2,019,139
<i>Total Department of Transportation Direct Programs</i>			<u>3,421,619</u>
United States Department of Agriculture Direct Programs			
Carson National Forest Operation	10.XXX		21,134
<i>Total United States Department of Agriculture</i>			<u>21,134</u>
Various Agencies - 1 Direct Programs			
NM DOH Special Investigation	93.XXX		111,733
<i>Total Various Agencies - 1 Direct Programs</i>			<u>111,733</u>
Total Other Programs			<u>6,656,178</u>
Total Expenditures of Federal Awards			11,439,864
Other Expenditures			<u>991</u>
Federal Grants Revenue			<u>\$ 11,440,855</u>

State of New Mexico
Department of Public Safety

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

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 B to the Department’s financial statements. Federal expenditures include adjustments resulting from subsequent changes in expenditures charged to a particular federal program. The Department did not receive non-cash federal assistance.

NOTE B – SUB RECIPIENTS BY FEDERAL GRANTOR

The Department had sub recipients, by federal grantor, in the following amounts:

Project/Activities Active During FY12						
Name	Year	Sub-Recipient Fiscal Agency	Program Name	Federal #	GMB #	Amount of Grant
JAG (CFDA 16.738)	2011	City of Albuquerque	Region I	2011-DJ-BX-2431	DPSJAG11REGI	\$67,949
	2011	City of Farmington	Region II	2011-DJ-BX-2431	DPSJAG11REGII	\$178,915
	2011	Santa Fe County	Region III	2011-DJ-BX-2431	DPSJAG11REGIII	\$6,346
	2011	City of Clovis	Region V	2011-DJ-BX-2431	DPSJAG11REGV	\$102,568
	2011	Eddy County	Region VI	2011-DJ-BX-2431	DPSJAG11REGVI	\$117,124
	2011	Town of Silver City	Region VII	2011-DJ-BX-2431	DPSJAG11REGVII	\$101,366
	2011	City of Rio Rancho	NMGTF	2011-DJ-BX-2431	DPSJAG11NMGTF	\$144,483
	2011	Bernalillo County	SWIFT	2011-DJ-BX-2431	DPSJAG11SWIFT	\$91,159
	2011	University of NM	Evaluation	2011-DJ-BX-2431	DPSJAG11EVAL	\$80,000
	2011	DPS IT Division	IT Smartphone App Project	2011-DJ-BX-2431	DPSJAG11IT	\$125,000
	2011	NMDPS	NM State Police	2011-DJ-BX-2431	DPSJAG11NMSP	\$640,531
	2011	DPS GMB	GMB Admin Costs	2011-DJ-BX-2431	DPSJAG11ADMIN	\$229,973
	2010	Santa Fe County	Region III	2010-DJ-BX-0021	DPSJAG10RVRG311	\$102,934
	2010	Town of Clayton	Clayton Police Dept	2010-DJ-BX-0021	DPSJAG10RVCPD11	\$7,021
	2010	City of Las Vegas	Las Vegas Police Dept	2010-DJ-BX-0021	DPSJAG10RVLVP11	\$18,103
	2010	Union County	Union County Sheriffs Office	2010-DJ-BX-0021	DPSJAG10RVUC11	\$23,561
	2010	City of Albuquerque	NMGTF	2010-DJ-BX-0021	DPSJAG10NMGTF	\$75,777
	2010	University of NM	UCR Project	2010-DJ-BX-0021	DPSJAG10RVUNM11	\$60,000
	2010	2nd Judicial DA	2nd DA	2010-DJ-BX-0021	DPSJAG102DA	\$127,100
	2010	Coop Consulting	Evaluation	2010-DJ-BX-0021	DPSJAG10COOP	\$57,103
	2010	NMDPS	NM State Police	2010-DJ-BX-0021	DPSJAG10NMSP	\$719,742
	2010	DPS GMB	GMB Admin Costs	2010-DJ-BX-0021	DPSJAG10ADMIN	\$277,211
	2009	2nd Judicial DA	2nd DA	2009-DJ-BX-0048	DPSJAG10RV092DA	\$115,434
	2009	DPS GMB	GMB Admin Costs	2009-DJ-BX-0048	DPSJAG09ADMIN	\$287,626
	2008	NMDPS	NM State Police	2008-DJ-BX-0021	DPSJAG10RV08NMS	\$165,200
	2008	DPS GMB	GMB Admin Costs	2008-DJ-BX-0021	DPSJAG08ADMIN	\$91,156
	2008	2nd Judicial DA	2nd DA	2008-DJ-BX-0745	DPSJAG08SU2DA09	\$37,637
	2008	DPS GMB	GMB Admin Costs	2008-DJ-BX-0745	DPSJAG08SUADMIN	\$9,398

State of New Mexico
Department of Public Safety

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

For the Year Ended June 30, 2012

Project/Activities Active During FY12						
Name	Year	Sub-Recipient Fiscal Agency	Program Name	Federal #	GMB #	Amount of Grant
RSAT (CFDA 16.593)	2011	NM Corrections Department	NMCD RSAT TC	2011-RT-BX-0022	DPSRSAT11NMCD	\$158,746
	2011	DPS GMB	GMB Admin Costs	2011-RT-BX-0022	DPSRSAT11ADMIN	\$17,638
	2010	NM Corrections Department	NMCD RSAT TC	2010-RT-BX-0034	DPSRSAT10NMCD	\$194,433
	2010	DPS GMB	GMB Admin Costs	2010-RT-BX-0034	DPSRSAT10ADMIN	\$21,603
	2009	NM Corrections Department	NMCD RSAT TC	2009-RT-BX-0041	DPSRSAT09NMCD	\$65,709
	2009	DPS GMB	GMB Admin Costs	2009-RT-BX-0041	DPSRSAT09ADMIN	\$7,301
	2008	NM Corrections Department	NMCD RSAT TC	2008-RT-BX-0041	DPSRSAT08FLOW	\$59,876
	2008	DPS GMB	GMB Admin Costs	2008-RT-BX-0041	DPSRSAT08ADMI	\$6,620
COPS (CFDA 16.710)	2009	NMDPS	NM State Police	2009-CK-WX-0384	DPS09COPSMETH	\$716,780
	2009	City of Farmington	Region II	2009-CK-WX-0384	DPS09COPSREGII	\$100,000
	2009	DPS GMB	GMB Admin Costs	2009-CK-WX-0384	DPS09COPSADM	\$183,220
	2008	NMDPS	NM State Police	2008-CK-WX-0534	DPS08METHCOPS	\$675,373
	2008	DPS GMB	GMB Admin Costs	2008-CK-WX-0534	DPS08COPSADM	\$99,840
AWA (CFDA 16.750)	2011	NMDPS	Records Bureau	2011-AW-BX-0007	DPSAWA11LRB1	\$360,000
	2011	DPS GMB	GMB Admin Costs	2011-AW-BX-0007	DPSAWA11ADMIN	\$40,000
NCHIP (CFDA 16.554)	2011	NMDPS	Records Bureau	2011-RU-BX-K078	DPSNCHIP11RB	\$256,185
	2011	DPS GMB	GMB Admin Costs	2011-RU-BX-K078	DPSNCHIP11ADMIN	\$24,470
DNA Post-Conviction (CFDA 16.741)	2009	University of NM	School of Law	2009-DY-BX-K246	DPS09DNAPOSTFLWT	\$780,240
	2009	NMDPS	Crime Lab	2009-DY-BX-K246	DPS09DNAPOSTCL	\$55,724
	2009	DPS GMB	GMB Admin Costs	2009-DY-BX-K246	DPS09DNAPOSTAD	\$88,684
Anti-Gang (CFDA 16.744)	2007	Nancy Sanchez	Nancy Sanchez	2007-PG-BX-0082	DPSAGI07FLWTHRU	\$46,354
	2007	DPS GMB	GMB Admin Costs	2007-PG-BX-0082	DPSAGI07ADMIN	\$18,789
PSN (CFDA 16.609)	2010	City of Albuquerque	Albuquerque Police Dept	2010-GP-BX-0006	DPSPSN10APD	\$10,000
	2010	BCSO	Bern. Co. Sheriffs Office	2010-GP-BX-0006	DPSPSN10BCSO	\$10,000
	2010	Joe Maez	Joe Maez	2010-GP-BX-0006	DPSPSN10JM	\$4,445
	2010	LCPD	Las Cruces Police Dept	2010-GP-BX-0006	DPSPSN10LCPD	\$10,000
	2010	NMGTF	NMGTF	2010-GP-BX-0006	DPSPSN10NMGTF	\$26,000
	2010	Nancy Sanchez	Nancy Sanchez	2010-GP-BX-0006	DPSPSN10NS	\$25,000
	2010	Rick Johnson & Company (Twenty-Nine Lime)	Rick Johnson & Company (Twenty-Nine Lime)	2010-GP-BX-0006	DPSPSN10RJC	\$6,000
	2010	DPS GMB	GMB Admin Costs	2010-GP-BX-0006	DPSPSN10ADMIN	\$10,161
	2011	City of Albuquerque	Albuquerque Police Dept	2011-GP-BX-0012	DPSPSN11APD	\$8,000
	2011	BCSO	Bern. Co. Sheriffs Office	2011-GP-BX-0012	DPSPSN11BCSO	\$8,000
	2011	Joe Maez	Joe Maez	2011-GP-BX-0012	DPSPSN11JMAEZ	\$3,556
	2011	LCPD	Las Cruces Police Dept	2011-GP-BX-0012	DPSPSN11LCPD	\$8,000
	2011	NMGTF	NMGTF	2011-GP-BX-0012	DPSPSN11NMGTF	\$20,800
	2011	Nancy Sanchez	Nancy Sanchez	2011-GP-BX-0012	DPSPSN11NSANCHE	\$20,000
	2011	29-Lime	29-Lime	2011-GP-BX-0012	DPSPSN1129LIME	\$7,838
	2011	DPS GMB	GMB Admin Costs	2011-GP-BX-0012	DPSPSN11ADMIN	\$8,466

State of New Mexico
Department of Public Safety

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

For the Year Ended June 30, 2012

Project/Activities Active During FY12						
Name	Year	Sub-Recipient Fiscal Agency	Program Name	Federal #	GMB #	Amount of Grant
ARRA JAG (CFDA 16.803)	2009	NMDPS	HR SHARE Project	2009-SU-B9-0022	AD900306	\$50,000
	2009	DPS	NM State Police	2009-SU-B9-0022	SA900101	\$4,157,731
	2009	Coop Consulting	Evaluation	2009-SU-B9-0022	SA900108	\$51,340
	2009	University of NM	UCR Project	2009-SU-B9-0022	SA900109	\$114,877
	2009	DPS	IT Training	2009-SU-B9-0022	SA900110	\$21,160
	2009	City of Clovis	Region V	2009-SU-B9-0022	LA900201	\$357,267
	2009	Eddy County	Region VI Lea County	2009-SU-B9-0022	LA900203	\$256,031
	2009	Santa Fe County	Region III	2009-SU-B9-0022	LA900204	\$375,635
	2009	Santa Fe County	Region III	2009-SU-B9-0022	LA900204	\$3,332
	2009	Town of Tatum	Region VI	2009-SU-B9-0022	LA900205	\$382,680
	2009	City of Farmington	Region III	2009-SU-B9-0022	LA900206	\$182,274
	2009	Eddy County	Region VI Pecos Valley	2009-SU-B9-0022	LA900211	\$447,966
	2009	City of Las Vegas	Region IV	2009-SU-B9-0022	LA900216	\$334,516
	2009	City of Rio Rancho	NMGTF	2009-SU-B9-0022	LA900220	\$552,752
	2009	Town of Silver City	Region VII	2009-SU-B9-0022	LA900221	\$181,965
2009	DPS GMB	GMB Admin Costs	2009-SU-B9-0022	AD900301	\$675,700	
GSF Funds (CFDA 84.397)		DPS	NMSP Animal Protection Initiative	GSF-DPS-02APT	GS900102	\$150,000
		DPS	NMSP Fleet Vehicles & Fuel	GSF-DPS-03FUEL	GS900201	\$660,000
		DPS	MTPD Fleet Vehicles & Fuel	GSF-DPS-03FUEL	GS900202	\$90,000
		DPS	GSF-IT Equipment	GSF-DPS-04-CIDATA	GS900301	\$130,000
		DPS	GSF - Vehicles	GSF-DPS-01VEH	GS900101	\$750,000
Paul Coverdell (CFDA 16.742)	2010	DPS	Crime Lab	2010-CD-BX-0053	DPSPC10CRIMELAB	\$89,398
	2010	University of NM	Office of the Medical Investigator	2010-CD-BX-0053	DPSPC10OMI	\$189,768
	2010	City of Albuquerque	Albuquerque Police Dept	2010-CD-BX-0053	DPSPC10APD	\$15,000
	2010	DPS GMB	GMB Admin Costs	2010-CD-BX-0053	DPSPC10ADMIN	\$29,093
	2011	DPS	Crime Lab	2011-CD-BX-0021	DPSPC11CRIMELAB	\$16,610
	2011	University of NM	Office of the Medical Investigator	2011-CD-BX-0021	DPSPC11OMI	\$90,000
	2011	City of Albuquerque	Albuquerque Police Dept	2011-CD-BX-0021	DPSPC11APD	\$39,498
2011	DPS GMB	GMB Admin Costs	2011-CD-BX-0021	DPSPC11ADMIN	\$20,000	
DNA Backlog (CFDA 16.741)	2010	DPS GMB	GMB Admin Costs	2010-DN-BX-K063	DPSPDNA10BKLOGAD	\$11,880
	2010	DPS	Crime Lab	2010-DN-BX-K063	DPSPDNA10BKLOG	\$398,850
	2011	DPS GMB	GMB Admin Costs	2011-DN-BX-K464	DPSPDNABKLG11AD	\$24,260
	2011	DPS	Crime Lab	2011-DN-BX-K464	DPSPDNABKLG11CL	\$362,702
	2011	City of Albuquerque	Albuquerque Police Dept	2011-DN-BX-K464	DPSPDNABKLG11APD	\$358,291
	2011	City of Albuquerque	NM DIS (CODIS)	2011-DN-BX-K464	DPSPDNABKLG11DIS	\$63,422
Bulletproof Vest Partnership Program (CFDA 16.607)	2010	NM Department of Corrections	NM Department of Corrections		DPSBVP10NMDC	\$39,238
	2010	NM Department of Corrections	NM Department of Game and Fish		DPSBVP10NMGF	\$13,422
	2010	NM Livestock Board	NM Live Stock Board		DPSBVP10NMLB	\$5,358
	2010	NM Mounted Patrol	NM Mounted Patrol		DPSBVP10NMMP	\$2,756
	2010	NM State University	NM State Univ Police		DPSBVP10NMSUP	\$1,510
	2010	University of NM	UNM ABQ Police		DPSBVP10UNMAP	\$2,747
2010	DPS	NM State Police		DPSBVP10NMSP	\$15,120	



CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS

ATKINSON & CO. LTD.
6501 AMERICAS PKWY NE
SUITE 700
ALBUQUERQUE, NM 87110

T 505 843 6492
F 505 843 6817

ATKINSONCPA.COM

PO BOX 25246
ALBUQUERQUE, NM 87125

**INDEPENDENT AUDITOR'S 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. Gordon E. Eden Jr., 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, 2012, which collectively comprise the Department's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 30, 2012. 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, 2012, 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

Management of the Department is responsible for establishing and maintaining effective 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.

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

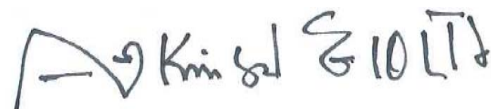
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously. We did not identify any deficiencies in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are referenced as items 12-01 and 12-02.

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 the responses.

This report is intended solely for the information and use of management, others within the Department, the New Mexico 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.

A handwritten signature in blue ink, appearing to read "King & Co. Ltd.", with a stylized logo to the left consisting of a triangle and a circle.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
November 30, 2012



CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS

ATKINSON & CO. LTD.
6501 AMERICAS PKWY NE
SUITE 700
ALBUQUERQUE, NM 87110

T 505 843 6492
F 505 843 6817

ATKINSONCPA.COM

PO BOX 25246
ALBUQUERQUE, NM 87125

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Mr. Gordon E. Eden Jr., 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 could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2012. 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.

In our opinion, the Department complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures discussed instances of noncompliance with those requirements which 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 12-01 and 12-02.

Internal Control Over Compliance

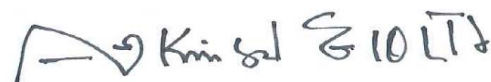
Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Department's internal control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

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or *material weaknesses*. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified two deficiencies in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as items 12-01 and 12-02. *A significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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, express no opinion on the responses.

This report is intended solely for the information and use of management, others within the Department, the New Mexico 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.



Atkinson & Co., Ltd.

Albuquerque, New Mexico
November 30, 2012

State of New Mexico
Department of Public Safety

SUMMARY OF AUDIT FINDINGS

Year ended June 30, 2012

Prior Year Findings Description

Status

Findings – Financial Statement Audit

09-3	Payroll Calculation Errors	Resolved
10-1	Access Administration	Resolved

Current Year Findings Description

Findings – Financial Statement Audit

None

Federal Award Findings and Questioned Costs

12-01	Procurement, Suspension and Debarment (Significant Deficiency – Item of Noncompliance)
12-02	Sub-recipient Monitoring (Significant Deficiency – Item of Noncompliance)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2012

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(s) identified? Yes None Reported

Non-compliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(s) identified? 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? Yes No

State of New Mexico
Department of Public Safety

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2012

A. SUMMARY OF AUDIT RESULTS – CONTINUED

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
16.738/16.803	Edward Byrne Memorial Justice Assistance Grant (JAG) (ARRA)
20.218	MCSAP – National Motor Carrier Safety
20.233	Border Enforcements
16.741	Forensic DNA Backlog Reduction Program
84.397	Stabilization (ARRA)
97.067	Homeland Security
16.710	Public Safety Partnership and Community Policy
95.001	HIDTA – High Intensity Drug Trafficking Area
20.601/20.609	Department of Transportation – Direct Programs
81.106	Transportation of Waste to WIPP
93.xxx	NM DOH Special Investigation

Dollar threshold used to distinguish between Type A
and Type B programs

\$ 343,196

Auditee qualified as low-risk auditee?

 Yes X No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2012

B. CURRENT AUDIT FINDINGS

Financial Statement Findings Required by *Government Auditing Standards*

None.

Findings in Accordance with OMB Circular A-133

12-01 – PROCUREMENT, SUSPENSION AND DEBARMENT (SIGNIFICANT DEFICIENCY AND ITEM OF NONCOMPLIANCE)

Funding Agency: Various
Title: All Federal Programs
CFDA Number: All
Period 7/1/2011 – 6/30/2012

Condition

During our testwork, we noted 16 of 16 procurements over the stated \$25,000 threshold in which there was no documentation maintained to show that the Department performed a verification check on the Excluded Party List System (EPLS) to ensure vendors were not suspended or debarred. In addition, we noted 14 of the 16 procurements noted above did not contain vendor certification of non-suspension or debarment. Per subsequent review no procurements were entered into with suspended or debarred parties.

Criteria

Government-wide requirements for non-procurement suspension and debarment are contained in the OMB guidance in 2 CFR part 180. Non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

Effect

The Department, by not documenting compliance with this requirement, could not substantiate whether the vendors they contracted with were excluded parties. Potential questioned costs could result from disbursing Federal funds to an excluded party. The three contracts reviewed were not with excluded parties.

Cause

There was no documentation available to determine whether the Department reviewed the excluded parties listing prior to contracting with these vendors.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2012

B. CURRENT AUDIT FINDINGS – CONTINUED

Findings in Accordance with OMB Circular A-133 – Continued

**12-01 – PROCUREMENT, SUSPENSION AND DEBARMENT (SIGNIFICANT DEFICIENCY
AND ITEM OF NONCOMPLIANCE) – CONTINUED**

Questioned Costs

None.

Recommendation

The Department should document their assessment of excluded parties with vendors paid by Federal funds. Such vendors should also be required to certify their absence from the EPLS in procurement documents for compliance with Federal requirements.

Department Response

The Department agrees with the finding and has developed and implemented policies and procedures for the review of the Excluded Parties Listing prior to award or contract execution.

12-02 – SUB-RECIPIENT MONITORING (ITEM OF NONCOMPLIANCE)

Funding Agency: U.S. Department of Justice

Title: JAG ARRA

CFDA Number: 16.803

Period 7/1/2010 – 6/30/2011

Condition

During our testwork of sub-recipient monitoring requirements for the JAG ARRA program, we noted the lack of Department notification to notify a sub-grantee, Santa Fe County, of their requirement to register as a Federal contractor. This registration is a requirement of receiving a sub-grant award of ARRA funds. The sub-grantee did not register in the Central Contractor Registration (CCR) system, and is not in compliance with the requirements of ARRA funded grant awards.

Criteria

As provided in 2 CFR Section 176.210, Federal agencies must require recipients to (1) agree to maintain records that identify adequately the source and application of ARRA awards; (2) separately identify to each sub-recipient, and document at the time of the sub-award and disbursement of funds, the Federal award number, CFDA number, and the amount of ARRA funds; and (3) provide identification of ARRA awards in their Schedule of Expenditures of Federal Awards (SEFA) and Data Collection Form (SF-SAC) and require their sub-recipients to provide similar identification in their SEFA and SF-SAC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2012

B. CURRENT AUDIT FINDINGS – CONTINUED

Findings in Accordance with OMB Circular A-133 – Continued

12-02 – SUB-RECIPIENT MONITORING (ITEM OF NONCOMPLIANCE) – CONTINUED

Criteria – Continued

In addition, according to the U.S. Code of Federal Regulations, 34 CFR part 80 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments) §80.40, grantees are responsible for monitoring sub-grant supported activities to assure compliance with applicable Federal requirements.

Effect

The Department maintained record of the source and application of the ARRA funded award, however the communication they provided their sub-grantee did not contain information regarding the mandatory registration of the sub-grantee as a Federal contractor through the CCR system. The sub-grantee did not register in the CCR, and is therefore not in compliance with requirements of ARRA funded grant awards. Potential questioned costs could result from failing to properly register with the required party, while carrying out the award with ARRA funds.

Cause

The Department did not provide required information of sub-award requirements to the sub-grantee. There appeared to be a lack of knowledge of ARRA funding requirements in regards to sub-recipients.

Questioned Costs

None.

Recommendation

Program management and those charged with the responsibility of monitoring sub-grants awarded by the Department of Public Safety should ensure that all requirements pertaining to the award of Federal funds are met.

Department Response

The Department agrees with the finding and has developed and implemented policies and procedures for the review and certification that the sub-grantee is eligible to receive an award and has an active registration in the Central Contractor Registration system.

Findings in Accordance with 2.2.2. NMAC

None.

State of New Mexico
Department of Public Safety

EXIT CONFERENCE

Year ended June 30, 2012

An exit conference was held on November 26, 2012. Attending were the following:

Representing the Department of Public Safety:

Gorden E. Eden Jr.	Cabinet Secretary
Patrick Mooney	Deputy Secretary-Administration
Kathy Griego	CFO, ASD Director
Dianna DeJarnette	ASD Deputy Director
Stacy Lopez	Finance Bureau Chief
Pete Kassetas	Deputy Chief, State Police Division
Louise Riebe	Budget Bureau Chief
Tony Flores	Grants Management Bureau Chief
Eric Shelton	MTP Chief
Mark Rowely	MTP Deputy Chief
Peter Gonzales	Grants Management Analyst
Tony Lynn	Director of Policy Coordination

Representing Atkinson & Co., Ltd.:

Martin Mathisen, CPA, CGFM	Audit Director
Clarke Cagle, CPA, CCIFP	Audit Senior Manager
Heather Prudhomme, CPA	Audit Senior

The financial statements were prepared with the assistance of Atkinson & Co., Ltd.

ATKINSON & CO. LTD.
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS

ALBUQUERQUE, NM
T 505 843 6492
F 505 843 6817

RIO RANCHO, NM
T 505 891 8111
F 505 891 9169

ATKINSONCPA.COM

