



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

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

**June 30, 2013**

atkinson

PRECISE. PERSONAL. PROACTIVE.

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State of New Mexico  
Department of Public Safety

**OFFICIAL ROSTER**

June 30, 2013

<b>Name</b>	<b>Title</b>
Gorden E. Eden Jr.	Cabinet Secretary
Patrick Mooney	Deputy Secretary-Statewide Law Enforcement Support Program
Robert Shilling	Deputy Secretary- Law Enforcement Program/NMSP Chief

**Division Directors**

Kathy Griego	Administrative Services Division
Bill Hubbard	Special Investigations Division
Jack F. Jones	Training and Recruiting Division
Ronald Burton	Technical Support/Information Technology Division
Eric Shelton	Motor Transportation Police Division



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## 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

### Report on the Financial Statements

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 (the Department) as of and for the year ended June 30, 2013, and the related notes to the financial statements, 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 supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

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, 2013, 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 as of June 30, 2013, 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 addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the budgetary comparison statements for the year ended June 30, 2013, referenced in the table of contents in conformity with the budgetary basis of accounting more fully described in Note B, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

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, 2013, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 21 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.

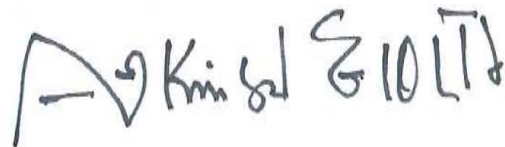
#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's 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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of changes in assets - agency funds, statement of fiduciary assets and liabilities - agency funds, schedule of cash and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the agency funds statements and schedules and the schedule of cash are fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2013, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "Atkinson & Co., Ltd.", with a stylized flourish on the left side.

**Atkinson & Co., Ltd.**

Albuquerque, New Mexico  
December 3, 2013

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2013

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, 2013. The MD&A also provides a discussion of significant changes in the account categories presented in the entity-wide **Statement of Net Position and Statement of Activities**. This summary should not be taken as a replacement for the basic financial statements.

### 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 Position** includes all of the Department's assets, liabilities, and net position. All revenues and expenses are accounted for in the **Statement of Activities** regardless of when cash is received or disbursed. The remaining statements are fund financial statements.
- **Governmental Funds Statements**, including the **Balance Sheet** and the **Statement of Revenues, Expenditures, and Change in Fund Balance**, focus on individual parts of the Department, reporting the Department's financial condition and results of operations in more detail than the entity-wide statements, and tell how general government services were financed in the short-term as well as what remains for future spending. Emphasis is on the general and major funds. Other governmental funds are summarized in a single column.
- **Statement of Revenues and Expenditures – Budget and Actual (Non-GAAP Budgetary Basis)** reports the original approved budget, final approved budget and actual results presented on the budgetary basis of reporting for 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 Position** 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:

State of New Mexico  
Department of Public Safety

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED**

June 30, 2013

**FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE – CONTINUED**

	Current Year June 30, 2013	Prior Year June 30, 2012	Increase or (Decrease)	Percent Change
<b>Assets</b>				
Current assets	\$ 17,298,643	\$ 16,932,854	\$ 365,789	2.2 %
Capital assets	14,660,783	18,174,828	(3,514,045)	(19.3) %
<b>Total assets</b>	<b>31,959,426</b>	<b>35,107,682</b>	<b>(3,148,256)</b>	<b>(9.0) %</b>
<b>Liabilities</b>				
Current liabilities	10,788,207	14,709,609	(3,921,402)	(26.7) %
Long-term liabilities	1,947,324	2,020,592	(73,268)	(3.6) %
<b>Total liabilities</b>	<b>12,735,531</b>	<b>16,730,201</b>	<b>(3,994,670)</b>	<b>(23.9) %</b>
<b>Net position</b>				
Net investment in capital assets	14,660,783	18,174,828	(3,514,045)	(19.3) %
Restricted	-	-	-	-
Unrestricted	4,563,112	202,653	4,360,459	2151.7 %
<b>Total net position</b>	<b>\$ 19,223,895</b>	<b>\$ 18,377,481</b>	<b>\$ 846,414</b>	<b>4.6 %</b>
	Current Year June 30, 2013	Prior Year June 30, 2012	Increase or (Decrease)	Percent Change
<b>Program revenues and expenses</b>				
Program revenues	\$ 16,976,307	\$ 17,650,928	\$ (674,621)	(3.8) %
Program expenses	117,607,441	114,050,313	3,557,128	3.1 %
<b>Net revenues (expenses)</b>	<b>(100,631,134)</b>	<b>(96,399,385)</b>	<b>(4,231,749)</b>	<b>4.4 %</b>
<b>General revenues (expenses)</b>				
General Fund appropriations	94,527,700	90,618,800	3,908,900	4.3 %
Road Fund appropriations	5,764,100	6,846,000	(1,081,900)	(15.8) %
Weight Distance Tax Permit Fund appropriations	1,200,000	-	1,200,000	100.0 %
Other sources	191,008	288,858	(97,850)	(33.9) %
Other uses	-	-	-	-
<b>Total general revenues (expenses)</b>	<b>101,682,808</b>	<b>97,753,658</b>	<b>3,929,150</b>	<b>4.0 %</b>
Gain or (loss) on disposal of capital assets	204,703	(3,796)	208,499	(5492.6) %
Reversion to State General Fund	(409,963)	(1,320,511)	910,548	(69.0) %
<b>Change in net position</b>	<b>846,414</b>	<b>29,966</b>	<b>816,448</b>	<b>2724.6 %</b>
<b>Beginning net position</b>	<b>18,377,481</b>	<b>18,347,515</b>	<b>29,966</b>	<b>0.2 %</b>
<b>Ending net position</b>	<b>\$ 19,223,895</b>	<b>\$ 18,377,481</b>	<b>\$ 846,414</b>	<b>4.6 %</b>

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED**

June 30, 2013

**FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE – CONTINUED**

Significant factors impacting the Department's financial position and results of operations during the year ended June 30, 2013 are as follows:

**Total Assets** decreased by \$3,148,256 or 9.0 percent as follows:

- **Current Assets** increased by \$365,789 or 2.2 percent due to decreases in Cash & Cash Equivalents, Investment in the State Treasurer's General Fund Investment Pool and Due From Other State Agencies which was offset by an increase in Federal Grants Receivable.
- **Capital Assets** decreased by \$3,514,045 or 19.3 percent as additions were less than current-year depreciation expense. The net book value of asset retirements and disposals were slightly more than their accumulated depreciation at the time of retirement or disposal.

**Total Liabilities** decreased by \$3,994,670 or 23.9 percent as follows:

- **Current Liabilities** decreased by \$3,921,402 or 26.7 percent due to decreases in Accounts Payable, Accrued Salaries & Benefits, Due To Other State Agencies for two appropriation reversions, Due to State General Fund for the reversion, and Compensated Absences due within one year.
- **Long-Term Liabilities** decreased by \$73,268 or 3.6 percent due to a decrease in Compensated Absences due after one year. The net book value of asset retirements and disposals were slightly more than their accumulated depreciation at the time of retirement or disposal.

**Total Net Position** increased by \$846,414 or 4.6 percent as follows:

- **Investment in Capital Assets** decreased by \$3,514,045 or 19.3 percent as additions were less than current-year depreciation expense. The net book value of asset retirements and disposals were slightly more than their accumulated depreciation at the time of retirement or disposal.
- The Department had no **Restricted Net Position** at June 30, 2013 or June 30, 2012.
- **Unrestricted Net Position** increased by \$4,360,459 or 2,151.7 percent.

**Net Program Activity** decreased by \$4,231,749 or 4.4 percent as follows:

- **Program Revenues** decreased by \$674,621 or 3.8 percent primarily due to a reduction in American Recovery and Reinvestment Act (ARRA) funding as the program ended during FY 2013.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED**

June 30, 2013

**FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE – CONTINUED**

- **Program Expenses** increased by \$3,557,128 or 3.1 percent primarily due to an increase in the Department's general fund base appropriation. See **General Fund Appropriations** discussion on the next page.
- **Deficiency of Program Revenues over Program Expenses** increased by \$4,231,749 or 4.4 percent. See discussion on the previous page.
- **General Fund Appropriations** increased by \$3,908,900 or 4.3 percent over the prior year's appropriations. The Department's base appropriation increased by \$4,980,200, a \$2,412,700 special appropriation to replace patrol vehicles, a \$816,000 special appropriation to complete the in-car digital recording equipment project, and a \$100,000 supplemental appropriation for NMSP fleet and recruit school costs were offset by a reduction of \$4,400,000 for prior year 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 for vehicle fuel.
- The **Road Fund Appropriation** increased by \$118,100 for personal services and operating costs, and was offset by a \$1,200,000 funding reduction that was transferred to NMTRD's Weight Distance Tax Permit fund for a net reduction of \$1,081,900 or 15.8 percent.
- The **Weight Distance Tax Permit Appropriation** of \$1,200,000 was added to reflect a new appropriation source for the Motor Transportation Program.
- **Other Sources** decreased by \$97,850 or 33.9 percent due to a reduction in miscellaneous reimbursements to the Department. There was one benefit payout of \$250,000 from the Peace Officers Survivors Fund during FY 2013.
- The Department recognized a \$204,703 **Gain on Disposal of Capital Assets** for an increase of \$208,499 or 5,492.6 percent increase over last year.
- The Department's reversion of \$409,963 is recorded as a \$400,721 **Reversion to State General Fund** for the general fund appropriation and other state funds. The NMDOT Road Fund reversion of \$3,576 and the NMTRD Weight Distance Tax Permit Fund reversion of \$5,666 are recorded as a Due To Other State Agencies. The total reversion decreased by \$910,548 for a 69.0 percent reduction.
- **Ending Net Position** increased by \$846,414 or 4.6 percent. The Department had no restatements to their financial statements. See discussion under **Current Assets** on the previous page.

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED**

June 30, 2013

**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			Percent Change
	Current Year June 30, 2013	Prior Year June 30, 2012	Increase or (Decrease)	
General Fund	\$ 3,578,225	\$ 369,453	\$ 3,208,772	868.5 %
Special revenues	4,858,119	3,855,957	1,002,162	26.0 %
Capital projects	100,899	100,899	-	0.0 %
<b>Total</b>	<b>\$ 8,537,243</b>	<b>\$ 4,326,309</b>	<b>\$ 4,210,934</b>	<b>97.3 %</b>

The increase in the **General Fund** fund balance is due to two special appropriations whose revenues were received during the fiscal year but will not be expended until FY 2014. The increase in the **Special Revenues** fund balance is due to increases in three of the Department’s non-reverting funds (Federal Forfeitures, State Chemist Fees and Carry Conceal Handgun Fees).

**GENERAL BUDGETARY HIGHLIGHTS**

The General Appropriation Act, Laws of 2012, Second Session, Chapter 19, Section 4 included an FY 2013 general fund appropriation of \$91,199,000 for the Department. The Department created a fourth program called Statewide Law Enforcement Support to combine three divisions which provide critical services and support to law enforcement agencies and criminal justice entities throughout the State. The Technical Support and Information Technology Divisions were transferred from Program Support, and the Training & Recruiting Division was transferred from the Law Enforcement Program to the new program. The FY 2013 appropriation was \$4,980,200 more than the FY 2012 revised appropriation of \$86,218,800 for a 5.8% increase, including \$4,911,100 in addition-to-base funding for six items:

- \$1,696,800 for a second New Mexico State Police (NMSP) Recruit School;
- \$1,347,700 for half-year funding of NMSP officer salaries and benefits;
- \$1,326,300 for fuel for law enforcement vehicles;
- \$213,500 to fill two forensic scientist positions;
- \$178,000 to fill four dispatchers; and
- \$148,800 for methamphetamine lab cleanup costs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED**

June 30, 2013

**GENERAL BUDGETARY HIGHLIGHTS – CONTINUED**

Original revenues and expenditures for the Department's Fund 12800 operating budget were increased by \$2,193,866 during FY 2013 from \$130,573,600 to \$132,767,466 for eight grants and two program revenue activities:

- \$1,000,000 for commercial vehicle information systems and networks from the U.S. Department of Transportation's Federal Motor Carrier Safety Administration;
- \$500,000 from Carry Conceal Handgun fees and fund balance;
- \$150,000 for warrant enforcement from the New Mexico Administrative Office of the Courts;
- \$140,744 for methamphetamine interdiction from U.S. Department of Justice's Community Oriented Policing Services;
- \$102,640 for safety data improvement collection and quality from the U.S. Department of Transportation's Federal Motor Carrier Safety Administration;
- \$91,000 in Law Enforcement Records Bureau fees;
- \$70,601 for new entrant safety audits from the U.S. Department of Transportation's Federal Motor Carrier Safety Administration;
- \$61,181 for cross-border movement and enforcement from the U.S. Department of Transportation's Federal Motor Carrier Safety Administration;
- \$50,000 to secure the United States-Mexico border from the U.S. Department of Homeland Security; and
- \$27,700 for narcotic interdiction from the Office of National Drug Control Policy's High Intensity Drug Trafficking Areas.

The Department received funding for four appropriations totaling \$3,378,700 during FY 2013:

Section 5 – Special

- \$2,412,700 to replace law enforcement vehicles that ends on June 30, 2014;
- \$816,000 to purchase in-car digital recording equipment that ends on June 30, 2014;

Section 6 – Supplemental

- \$100,000 for NMSP fleet and recruit school costs that ended on June 30, 2013; and

Section 7 – Data Processing

- \$50,000 to replace the computer aided dispatch system that ends on June 30, 2014. The remaining \$250,000 of the appropriation was budgeted for expenditure on July 3, 2013 in FY 2014.

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



## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2013

### DEPARTMENT ACCOMPLISHMENTS

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. 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 LEP provides professional expertise in the area of criminal investigation to any local law enforcement agency requesting our assistance including crime scene investigation, criminal investigation and public corruption investigation.

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

During FY 2013, the New Mexico State Police (NMSP) Uniform Services:

- Spearheaded or participated in over 1,117 DWI checkpoints and saturation patrols;
- Performed 18,107 criminal investigations (in conjunction with the Investigations Bureau);
- Arrested 2,078 persons for DWI; and
- Held 1,209 traffic-related enforcement operations.

Uniform Services experienced a substantial increase in calls-for-service throughout the State, averaging 1,665 additional calls-for-service per district (12 districts statewide). In CY 2013, Uniform Services:

- Responded to 80,874 calls-for-service;
- Wrote 201,295 traffic citations;
- Arrested 10,770 individuals; and
- Responded to 4,124 crashes including 147 fatal crashes.

The Special Operations Bureau is comprised of specialized law enforcement teams and the Department's fleet management team. Special Operations teams responded to 609 calls for service in CY 2013. The highly skilled teams include:

- Bomb Team
- Motorcycle Unit
- Crash Reconstruction Unit
- Emergency Response Team
- Tactical Team
- Search & Recovery Dive Team
- Crisis Negotiation Team
- Tactical Emergency Medical Support Team

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2013

### DEPARTMENT ACCOMPLISHMENTS – CONTINUED

- Search & Rescue
- Honor Guard
- Aircraft
- Canine Enforcement Unit (K-9)

The K-9 Team seized 1,877 pounds of marijuana, 79 pounds of heroin, 79 pounds of crystal methamphetamine, and identified 89 major criminals.

The Investigations Bureau provides professional expertise to any local law enforcement agency requesting our assistance including crime scene investigation, criminal investigation and public corruption investigation. Major accomplishments include:

- The clearance rate for homicide investigations was 91% in 2013, well above the national average of 64%;
- Agents performed 1,235 drug-related investigations;
- The Crime Scene Team conducted 213 missions for both NMSP and local and federal law enforcement agencies;
- The Bureau investigated 3 officer involved shootings (OIS) for NMSP and assisted in 10 other investigations for local law enforcement, and provided advanced OIS training to Bureau agents;
- Narcotic investigations were conducted in 30 of 33 counties in New Mexico including undercover purchases, controlled buys, highway interdictions and the dismantling of methamphetamine laboratories;
- Drug seizures included 108 pounds of methamphetamine, 57 pounds of heroin, 235 pounds of cocaine, and 4,500 pounds of marijuana; and
- A redesign of the Bureau's databases in FY 2013 has resulted in improved tracking of investigations and statistical data.

Over the past year, the Special Investigations Division (SID) placed a major emphasis on voluntary compliance through education. SID agents partnered with liquor licensees, alcohol beverage servers and local law enforcement agencies in communities throughout the State to present educational seminars to move alcohol retailers toward "best practices" to comply with the Liquor Control Act. This frees up the limited agent man-hours to concentrate enforcement activities according to a data-driven model. This has also enhanced positive contacts between agents and alcohol retailers.

SID partnered with the Santa Fe Underage Drinking Prevention Alliance to provide leadership and resources for multi-agency proactive enforcement initiatives including alcohol-related warrant round-ups, shoulder tap operations, and educational opportunities.

In 2013, for the first time in our nation's history, accidental deaths from prescription drug overdoses surpassed traffic fatalities as the number one accidental cause of death. Studies have shown that this epidemic begins in the medicine cabinet at home. Drop boxes enable parents and grandparents to dispose of these drugs in a way that is safe for the environment and in a secure fashion that keeps them out of the hands of our youth and abusers. SID installed the first permanent DPS prescription medication drop box in the State.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED**

June 30, 2013

**DEPARTMENT ACCOMPLISHMENTS – CONTINUED**

SID achieved the following in FY 2013:

- 1,026 licensed alcohol premise inspections;
- 153 minor alcohol compliance operations;
- Processed 8,219 concealed handgun carry applications; and
- Issued 5,744 permits issued with an average turnaround (application to permit) of 49 days.

The Motor Transportation Police (MTP) continues to be a leader in commercial vehicle drug interdiction efforts. The objective is the detection and apprehension of transporters and/or users of illicit drugs involving a commercial motor vehicle. The focus of the program is on the development and distribution of criminal interdiction techniques to rapidly identify in-transit commercial vehicles and drivers engaged in criminal activity. The end result will be our state highways will be less threatened by impaired and/or unqualified commercial motor vehicle drivers, resulting in improved highway safety and a reduction in commercial vehicle crashes.

MTP continues to be recognized nationally for its drug interdiction accomplishments since 1998:

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

In October 2012, officers at the Anthony Port of Entry conducted an inspection and located \$2.2 million dollars in U.S. currency believed to be the proceeds of illegal narcotics transactions.

MTP's Smart Roadside Inspection System was named one of the top twenty-five programs in this year's "Innovations in American Government Award" competition. 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 has streamlined commercial vehicle screening methods and maximized the cost effectiveness of federal and state commercial vehicle enforcement funds. The Smart Roadside Inspection system helps cut down on the number of crashes on our highways along with identifying unsafe motor carriers creating safer roads for everyone in our State.

MTP was awarded the "2013 Motor Carrier Safety Assistance Program Leadership Award" for safety enforcement. New Mexico was one of only three states to receive this award. This award is presented to states with the most productive and focused safety enforcement programs in terms of cost efficiency, traffic enforcement and data quality.

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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED**

June 30, 2013

**DEPARTMENT ACCOMPLISHMENTS – CONTINUED**

MTP is working with the New Mexico Border Authority to develop innovative methods to improve commercial vehicle commerce while protecting our highway infrastructure. MTP updated oversize/overweight permits to allow transportation companies from Mexico to enter the Santa Teresa industrial area with loads of up to 96,000 pounds in support of Governor Martinez's economic development initiative for this area.

MTP officers periodically conduct saturation patrols around the State to detect, deter and eradicate unsafe driving practices. During a 3-day saturation patrol operation in Eddy & Lea Counties, 779 traffic stops were conducted, 711 citations issued, and 344 commercial motor vehicles were inspected. Of the 344 commercial vehicles inspected, 79 vehicles and 39 drivers were removed from our highways due to serious safety violations. In addition to traffic enforcement, ten individuals were arrested for various misdemeanor violations or outstanding bench warrants.

Despite high vacancy rates, MTP exceeded performance expectations in commercial vehicle inspections, performing over 86,000 inspections against the FY 2013 target of 85,000, surpassed its goal of 11,152 non-commercial motor vehicle citations by issuing over 14,000, and conducted 51 safety trainings throughout the State, surpassing the performance measure goal of 32.

To support the safe transportation of radioactive materials to the Waste Isolation Pilot Plant (WIPP) in Carlsbad, the Department increased the number of personnel certified to inspect radiological shipments to 90, and increased the number of emergency response officers (EROs) trained to respond to an accident involving radiological materials to 150. In addition, 50 NMSP and MTP officers were trained and certified to monitor radiological shipments from their patrol units and to maintain communication with the drivers as a public safeguard. In the event of an accident, Department personnel are equipped and trained to determine if there is any contamination due to the release of radiological materials and in critical incident management to prevent further contamination and limit radiological exposure to emergency response personnel and the public.

The Training & Recruiting Division (TRD) is charged with establishing rules, policies, qualifications, and standards for the employment, certification, and training of law enforcement officers and public safety dispatchers throughout the State as well as reviewing and adjudicating misconduct/complaint cases that can result in the denial, revocation or suspension of both police officer and dispatcher certifications. The Division's certified law enforcement instructors research, develop and provide basic and advanced courses of instruction at the New Mexico Law Enforcement Academy (NMLEA) in Santa Fe; and certify and oversee eight satellite law enforcement academies throughout the State. Staff ensures compliance with the NMLEA Board Rules; maintain the NMLEA Board calendar and ensure there are four Board meetings per calendar year; and provide for the safe and efficient maintenance of the NMLEA, dorms, equipment, grounds, driving track and live firearms range. TRD achieved the following in FY 2013:

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2013

### DEPARTMENT ACCOMPLISHMENTS – CONTINUED

- Provided 6,688 hours of training to 400+ officers;
- Issued 98 basic officer certifications;
- Issued 75 advanced officer training certifications;
- Provided 721 course accreditations to local, state and federal entities to teach in New Mexico;
- Received 114 misconduct cases and adjudicated 109;
- Issued 94 dispatcher certifications;
- Revised the core curriculum for the basic police officer training academy, reducing the length of the class from 22 weeks to 16 weeks starting in January 2014;
- Improved the quality of the basic police officer training by effective and efficient use of training resources and using reality-based, high intensity scenario training;
- Established and created a live fire shooting house at the firearms range, created and taught a vehicle penetration live firearms test, day and night live firearms vehicle stops, and day and night live firearms square range drills for police officer training; and
- Streamlined the officer complaint adjudication process by adding ten additional hearing officers to assist with conducting investigations and the formal hearing process.

Law enforcement agencies and criminal justice entities in New Mexico rely on the Information Technology Division (ITD) to provide accurate, complete and timely information for informed decisions. ITD provides system access and services free-of-charge to authorized users. Major accomplishments for FY 2013 include:

- Decentralized level II desktop and in-car computer support by deploying Help Desk technicians in Albuquerque, Roswell, Las Cruces, and plans to add technicians in Las Vegas and Gallup during FY 2014;
- Merged the Criminal and Narcotics databases into a single database to facilitate greater ease of use by the NMSP Investigations Bureau;
- Reengineered the NMSP recruit web application to improve on-line application data storage;
- Created a central warrants database to standardize warrant collections in a centralized web-based tracking application; and
- Deployed 28 new digital video server systems in district offices throughout the State to securely store in-car digital video data and make it available for viewing locally.

The Technical Support Division is comprised of two bureaus: The Law Enforcement Records Bureau (LERB) serves as the state repository for all the fingerprint and criminal history records in the state. LERB also maintains the State Bureau files which include NMSP offense incident reports that have attachments, NMSP non-traffic citations and NMSP arrest and bookings. LERB manages and disseminates the law enforcement records for NMSP, MTP and SID. The repository is responsible for the fingerprint based applicant process for all statutorily mandated agencies that license and regulate employees. LERB is also responsible for Federal and State mandated criminal justice programs. These include the Sex Offender Registration and Notification Act, Missing Person's Clearinghouse, National Crime Information Center (NCIC), Triple III maintenance on criminal history records, Uniform Crime Reporting and Inspection of Public Records Act. LERB processed these transactions during FY 2013:

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2013

### DEPARTMENT ACCOMPLISHMENTS – CONTINUED

- Missing Persons Clearinghouse
  - Issued 18 Endangered Person Advisories;
  - Issued 9 Silver Alerts;
  - Entered 4,985 records and cleared 4,939 records;
  - Maintained 754 active missing person files for New Mexico residents;
- Sex Offender Registry
  - Received and processed 9,477 registrations;
  - Maintained records on 3,492 registered offenders;
  - Posted 2,282 of these offenders on the Department's [www.nmsexoffender.com](http://www.nmsexoffender.com) website; and
  - Worked with law enforcement agencies to locate 54 offenders who are absconding from their obligation to register.

The Law Enforcement Records Bureau and the Information Technology Division collaborated on several major projects during FY 2013 including:

- Offender Watch, the new sex offender web site and application;
- The eCrash application for electronic submission of crash reports by NMSP and MTP officers while providing on-line access for the public who need accident reports.
- New Mexico Applicant Processing Service in collaboration with New Mexico Department of Health to provide electronic applicant background checks for New Mexico residents so they can complete their required federal and state background checks quickly and conveniently;
- Interstate Photo System Facial Recognition Pilot (IPSFRP) Project in collaboration with the Federal Bureau of Investigations (FBI) and Albuquerque Police Department (APD) as a pilot project to compare a database of almost 13 million images and permit criminal justice agencies to submit and enhance image files so they can be cross-referenced within the FBI database;
- Repository of Individuals of Special Concern (RISC) Pilot Project in collaboration with the FBI and APD to provide an enhanced capability to identify persons who present special risks to the public or law enforcement personnel;
- Morpholident Pilot Project using mobile 2-finger fingerprint devices that were given to two NMSP officers to test the devices which resulted in five arrests including one individual who refused to identify himself;
- Collaboration with APD's Real Time Crime Center to share criminal justice information and assist with their initiative to provide information to first-responding officers as they assist in emergencies; and
- Added Silver Alert to the Missing Person Application in accordance with the new state law.

The second bureau in the Technical Support Division is the Forensic Laboratory Bureau (FLB) which provides forensic support to all criminal justice agencies throughout New Mexico. This support includes quality forensic analyses that aid in the investigation of criminal activity, as well as expert testimony to assist in the prosecution or defense of individuals accused of criminal offenses. Laboratories are located in Santa Fe, Las Cruces and Hobbs. FLB staff support criminal justice agencies by providing training on the Laboratory's capabilities as well as the identification, collection, preservation and storage of physical evidence including:

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED**

June 30, 2013

**DEPARTMENT ACCOMPLISHMENTS – CONTINUED**

- DNA and serology;
- Latent prints, footwear and tire tracks;
- Controlled substances;
- Trace and fire debris; and
- Firearms, toolmarks and serial number restoration.

Major accomplishments for FY 2013 include:

- Successfully continued international accreditation of the NM DPS Forensic Laboratory in Las Cruces while maintaining the accreditation standards in the Santa Fe laboratory and pursuing accreditation for the Hobbs laboratory;
- Bolstered forensic databases with over 525 additional entries into CODIS, more than 1,304 entries into the Automated Fingerprint Identification System, and an additional 705 entries in the IBIS/NIBIN databases, resulting in an increased level of overall forensic support to criminal justice agencies statewide;
- Provided exemplary support to the New Mexico Judicial System by dedicating more than 825 hours to pre-trial interviews, preliminary hearings, and trials throughout the state, and provided expert forensic testimony in over 162 State and Federal criminal proceedings;
- Continued to provide comprehensive forensic training to the NMSP Academy while continuing to expand training services to law enforcement agencies and attorney offices statewide;
- Applied updates to the laboratory website to provide accurate information pertaining to laboratory capabilities, general information on forensic analysis, essential laboratory procedures, and a directory of all laboratory personnel;
- Acquired and implemented the PowerDMS® cloud-based electronic document management system to streamline laboratory document operations and improve organizational procedures as they apply to document management standards and procedures; and
- Initiated the development of an electronic records management system to enhance inventory accountability and personnel time management, while reducing long-term expenses through the elimination of on-site storage facilities. The system also provides accessibility enhancements to expedite required access to dated laboratory records.

Program Support, comprised of the Office of the Secretary, Legal Affairs and the Administrative Services Division, implemented a major new project and completed several key projects with the goal of improving the services supporting our law enforcement and civilian personnel, including:

- Phase I of the SHARE Grants and Projects Suite project was implemented, enabling officers and staff to enter time worked on special projects and grants, which are funded thru local, state and federal sources, directly on the SHARE timesheet. DPS is only the second agency (after NMDOT) to implement this functionality, which has significantly improved the quality and efficiency of reporting and requesting reimbursement for such activities. DPS typically has more than 200 different grants/projects ongoing at any given time;

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED

June 30, 2013

### DEPARTMENT ACCOMPLISHMENTS – CONTINUED

- All DPS grants were consolidated under the financial and administrative management of the Grants Management Bureau, improving the quality and consistency of grants management and improving the effective utilization of grant funding;
- Improving the purchasing process through a pro-active needs assessment with the DPS business units of their procurement needs and re-designed purchasing processes to improve both speed and customer relations;
- The FY 2012 Financial Audit was completed and submitted on time and with no audit findings on the financial statement and only two compliance findings which were resolved;
- The Finance Bureau implemented structured controls over expenditures and deposits to maintain the most accurate cash balance and minimize the cash reconciliation problem;
- The Finance Bureau successfully improved the time required to process payment vouchers and per diem for employees through process improvement and working closely with DFA staff to ensure quality submissions;
- The Facilities Management Bureau completed a Department statewide facilities assessment, identifying immediate, short-term and long-term building and mechanical issues and risks for maintenance and repair;
- The Facilities Management Bureau also implemented a Computerized Maintenance Management System for the Santa Fe Headquarters Complex supporting a pro-active maintenance approach to maintaining the large building complex and systems which will save the taxpayer dollars by preventing wholesale breakdown of equipment;
- Human Resources staff were trained in all aspects of the NEOGOV system, reducing dependence upon State Personnel Office staff and resulting in a reduction of the time required to advertise and fill vacant positions; and
- Budget projection tools were revised and improved, providing more accurate and informative data for management and resulting in improved utilization of the agency's funding. The FY 2013 reversion for the Department's three appropriations (State General Fund, NMDOT Road Fund and TRD Weight Distance Tax Permit Fund) and Other State Funds is \$409,963 which is 0.004% of the \$101,491,800 revertible revenue received during the fiscal year.

### 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 2012, Second Session, Chapter 19, Section 4 for the year ended June 30, 2013 were:



**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED**

June 30, 2013

**PERFORMANCE MEASURES – CONTINUED**

<u>TYPE</u>	<u>MEASURE</u>	<u>TARGET</u>	<u>RESULT</u>
<b>Law Enforcement Program:</b>			
Output	Number of licensed alcohol premise inspections conducted per agent assigned to alcohol enforcement duties.	288	95.5
Output	Number of driving-while-intoxicated arrests per patrol officer.	12	7.7
Output	Number of criminal investigations conducted by commissioned personnel per full-time-equivalent assigned to patrol and the investigations bureau.	670 all FTE -or- 60 per FTE	55.0
<b>Motor Transportation Program:</b>			
Output	Number of commercial motor vehicle citations issued.	40,256	27,617
Output	Number of commercial motor vehicle safety inspections.	85,000	86,013
Output	Number of fatal commercial motor vehicle crashes per one hundred million vehicle miles traveled.	0.16	Not Available
<b>Statewide Law Enforcement Support Program:</b>			
Outcome	Percent of forensic cases completed per filled full-time-equivalent position within thirty working days.	60.0%	61.8%

**CAPITAL ASSETS**

The Department's capital assets, net of depreciation, are \$14,660,783 or 76.3 percent of total assets. **Capital Assets** and **Investment in Capital Assets** decreased by \$3,514,045 or 19.3 percent as additions were less than current-year depreciation expense. The net book value of asset retirements and disposals were slightly more than their accumulated depreciation at the time of retirement or disposal.

**COMPENSATED ABSENCES**

Total compensated absences as of June 30, 2013 are \$3,974,131. The estimated amount to be paid from current appropriations within one year is \$2,026,807 or 51.0 percent, with a balance of \$1,947,324 or 49.0 percent due after one year. There was no significant activity to report for compensated absences during the year ending June 30, 2013.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED**

June 30, 2013

**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 \$140,068,200 for the FY 2014 operating budget in the Laws of 2013, First Session, Chapter 227, Section 4. The Department was allocated two Section 8 compensation packages totaling \$1,282,200 (\$431,800 Item A-5 and \$850,400 Item A-7). One federal grant deviation totaling \$150,000 increased the Department's total approved operating budget to \$141,500,400.

The FY 2014 operating budget includes a general fund appropriation of \$96,113,200 which is a 5.4 percent increase over the FY 2013 amount of \$91,199,000. The Motor Transportation Program's FY 2014 operating budget includes a \$5,844,300 appropriation from the New Mexico Department of Transportation's Road Fund, and \$1,265,900 from the New Mexico Taxation and Revenue Department's Weight Distance Tax Permit Fund. These two appropriations will be transferred to the Department in 1/12 allotments each month, and unexpended funds will be returned to the respective agencies as a ***Due To Other State Agencies***.

The Laws of 2013, First Session, Chapter 227, Section 5, Item 64 extended the period of time to expend the \$200,000 special appropriation appropriated in the Laws of 2012, Second Session, Chapter 19, Section 5, Item 29 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 now ends on June 30, 2014.

The Laws of 2013, First Session, Chapter 227, Section 7, Item 19 appropriated \$2,850,000 to implement an integrated computer-aided dispatch and records management system. Release of the appropriation is contingent on the Department of Public Safety issuing a request for information regarding available system alternatives, issuing a request for proposals, and submitting a project plan to the Department of Information Technology, Department of Finance and Administration and the Legislative Finance Committee that includes milestones, estimated completion dates for each milestone, estimated total cost and deliverables. The appropriation ends on June 30, 2015. The Department did not budget this appropriation, in whole or in part, for expenditure as of June 30, 2013.

The Laws of 2013, First Session, Chapter 227, Section 7, Item 20 appropriated \$450,000 to implement an automated fingerprint identification system as part of the Western Identification Network. The appropriation ends on June 30, 2015. The Department did not budget this appropriation, in whole or in part, for expenditure as of June 30, 2013.

The Laws of 2013, First Session, Chapter 226, Section 9, Item 10 appropriated \$3,500,000 to the Property Control Division of the New Mexico General Services Department under Project 13-1237 to construct, renovate, expand, furnish and equip the New Mexico State Police district office in Espanola in Rio Arriba County. The appropriation ends on June 30, 2017.

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) – CONTINUED**

June 30, 2013

**NEXT YEAR'S BUDGET AND RATES – CONTINUED**

The Laws of 2013, First Session, Chapter 226, Section 9, Item 11 appropriated \$800,000 to the Property Control Division of the New Mexico General Services Department under Project 13-1238 for designing, constructing, installing and equipping the New Mexico State Police district office, including a secondary access road, in Las Vegas in San Miguel County. The appropriation ends on June 30, 2017.

The Laws of 2013, First Session, Chapter 226, Section 9, Item 13 appropriated \$600,000 to the Property Control Division of the New Mexico General Services Department under Project 13-1240 for renovations at the dormitories, including upgrading fire suppression and heating, ventilation and air conditioning systems, at the New Mexico Law Enforcement Academy in Santa Fe County. The appropriation ends on June 30, 2017.

**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 POSITION**

June 30, 2013

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 154,115
Investment in State Treasurer General Fund Investment Pool	11,010,033
Federal grants receivable	5,398,627
Trade receivables	
Less allowance for doubtful accounts of \$170,626	438,335
Due from other state agencies	227,748
Due from local governments	
Less allowance for doubtful accounts of \$379,548	31,610
Supplies inventory	7,520
Prepaid postage	30,655
	<hr/>
Total current assets	17,298,643
Capital assets, not being depreciated	14,394
Capital assets being depreciated, net of accumulated depreciation	14,646,389
	<hr/>
Total assets	<u>\$ 31,959,426</u>
<b>LIABILITIES AND NET POSITION</b>	
Current Liabilities	
Accounts payable	\$ 6,386,416
Accrued salaries and benefits payable	1,271,372
Deferred revenue	927,256
Due to other state agencies	9,241
Due to State General Fund	167,115
Compensated absences	2,026,807
	<hr/>
Total current liabilities	10,788,207
Long-term Liabilities	
Compensated absences due after one year	1,947,324
	<hr/>
Total long-term liabilities	1,947,324
	<hr/>
Total liabilities	12,735,531
Net Position	
Net investment in capital assets	14,660,783
Restricted	-
Unrestricted	4,563,112
	<hr/>
Total net position	19,223,895
	<hr/>
Total liabilities and net position	<u>\$ 31,959,426</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, 2013

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services	Operating Grants	Governmental Activities	
<b>Governmental Activities</b>				
Program support	\$ (7,791,476)	\$ -	\$ 2,644,477	\$ (5,146,999)
Law enforcement	(76,465,749)	3,678,379	3,115,842	(69,671,528)
Motor transportation program	(20,182,197)	277,403	3,697,103	(16,207,691)
Statewide Law Enforcement Support	(13,168,019)	2,312,483	1,250,620	(9,604,916)
Total governmental activities	\$ (117,607,441)	\$ 6,268,265	\$ 10,708,042	(100,631,134)
<b>General revenues and (expenses)</b>				
State General Fund appropriations				94,527,700
State Road Fund appropriations				5,764,100
Weight Distance Tax Permit Fund appropriations				1,200,000
Transfers - in from other state agencies				191,008
Transfers - reversions to State General Fund - FY 2013				(409,963)
Gain on sale of Capital Assets				177,465
Other				27,238
Total general revenues				101,477,548
<b>Change in net position</b>				846,414
Net position, beginning				18,377,481
Net position, ending				\$ 19,223,895

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, 2013

	General Fund	Federal Forfeitures-SPD		Capital Projects (090)	Capital Projects (892)	Capital Projects (931)	Other Governmental Funds	Total Governmental Funds
		US DOJ (343)	US Treasury (719)					
<b>ASSETS</b>								
Interest in State Treasurer General								
Fund Investment Pool	\$ 5,550,883	\$ 2,445,929	\$ 276,134	\$ 100,899	\$ -	\$ -	\$ 2,636,188	\$ 11,010,033
Cash in banks	39,815	-	-	-	-	-	-	39,815
Cash on hand	14,300	100,000	-	-	-	-	-	114,300
Federal grants receivable	5,398,627	-	-	-	-	-	-	5,398,627
Trade receivables, less allowance for doubtful accounts of \$170,626	438,335	-	-	-	-	-	-	438,335
Due from other funds	658,919	-	43,424	-	-	-	29,885	732,228
Due from other state agencies	200,958	152	-	-	9,084	-	17,554	227,748
Due from local governments, less allowance for doubtful accounts of \$379,548	-	-	-	-	-	-	31,610	31,610
Supplies inventory	7,520	-	-	-	-	-	-	7,520
Prepaid postage	30,655	-	-	-	-	-	-	30,655
<b>Total assets</b>	<b>\$ 12,340,012</b>	<b>\$ 2,546,081</b>	<b>\$ 319,558</b>	<b>\$ 100,899</b>	<b>\$ 9,084</b>	<b>\$ -</b>	<b>\$ 2,715,237</b>	<b>\$ 18,030,871</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 6,377,332	\$ -	\$ -	\$ -	\$ 9,084	\$ -	\$ -	\$ 6,386,416
Accrued salaries and benefits payable	1,271,372	-	-	-	-	-	-	1,271,372
Deferred revenue	927,256	-	-	-	-	-	-	927,256
Due to other funds	29,885	564,539	-	-	-	-	137,804	732,228
Due to other state agencies	9,241	-	-	-	-	-	-	9,241
Due to the State General Fund	146,701	-	-	-	-	-	20,414	167,115
<b>Total liabilities</b>	<b>8,761,787</b>	<b>564,539</b>	<b>-</b>	<b>-</b>	<b>9,084</b>	<b>-</b>	<b>158,218</b>	<b>9,493,628</b>
<b>FUND BALANCES</b>								
Non-Spendable								
Petty cash and change funds	14,300	-	-	-	-	-	-	14,300
Inventories	7,520	-	-	-	-	-	-	7,520
Postage	30,655	-	-	-	-	-	-	30,655
Flashroll	-	100,000	-	-	-	-	-	100,000
Spendable								
Restricted	116,980	1,881,542	319,558	100,899	-	-	2,557,019	4,975,998
Committed	3,408,770	-	-	-	-	-	-	3,408,770
<b>Total fund balances</b>	<b>3,578,225</b>	<b>1,981,542</b>	<b>319,558</b>	<b>100,899</b>	<b>-</b>	<b>-</b>	<b>2,557,019</b>	<b>8,537,243</b>
<b>Total liabilities and fund balance</b>	<b>\$ 12,340,012</b>	<b>\$ 2,546,081</b>	<b>\$ 319,558</b>	<b>\$ 100,899</b>	<b>\$ 9,084</b>	<b>\$ -</b>	<b>\$ 2,715,237</b>	<b>\$ 18,030,871</b>

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 POSITION -  
GOVERNMENTAL FUNDS**

June 30, 2013

Total fund balance for the governmental fund (Balance Sheet)	\$ 8,537,243
Amounts reported for governmental activities in the Statement of Net Position 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.	14,660,783
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>(3,974,131)</u>
Net position of governmental activities (Statement of Net Position)	<u>\$ 19,223,895</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, 2013

	General Fund	Federal Forfeitures-SPD		Capital Projects (090)	Capital Projects (892)	Capital Projects (931)	Other Governmental Funds	Total Governmental Funds
		US DOJ (343)	US Treasury (719)					
<b>Revenues</b>								
Federal grants	\$ 10,203,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,137	\$ 10,238,516
State grants	727,807	-	-	-	-	-	-	727,807
Forfeitures	-	1,760,148	84,617	-	-	-	-	1,844,765
Other program fees	2,938,426	3,914	558	-	-	-	974,463	3,917,361
Proceeds from sale of property	266,506	-	-	-	-	-	-	266,506
<b>Total revenues</b>	<b>14,136,118</b>	<b>1,764,062</b>	<b>85,175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,009,600</b>	<b>16,994,955</b>
<b>Expenditures</b>								
Public safety								
Current								
Personal services and employee benefits	81,270,867	-	-	-	-	-	-	81,270,867
Contractual services	3,766,490	-	-	-	-	-	27,380	3,793,870
Other costs	26,657,438	-	-	-	9,084	-	257,013	26,923,535
Capital outlay	2,185,602	-	-	-	-	-	-	2,185,602
<b>Total expenditures</b>	<b>113,880,397</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,084</b>	<b>-</b>	<b>284,393</b>	<b>114,173,874</b>
Excess (deficiency) of revenues over expenditures	(99,744,279)	1,764,062	85,175	-	(9,084)	-	725,207	(97,178,919)
<b>Other Financing Sources (Uses)</b>								
State General Fund appropriations	94,527,700	-	-	-	-	-	-	94,527,700
State Road Fund appropriations	6,964,100	-	-	-	-	-	-	6,964,100
Transfers - reversions to State General Fund - FY 2013	(389,549)	-	-	-	-	-	(20,414)	(409,963)
Interagency transfer in	50,000	-	-	-	9,084	-	248,930	308,014
Interfund transfer in	1,800,800	-	-	-	-	-	-	1,800,800
Interfund transfer out	-	(1,173,735)	-	-	-	-	(627,065)	(1,800,800)
<b>Total other financing sources (uses)</b>	<b>102,953,051</b>	<b>(1,173,735)</b>	<b>-</b>	<b>-</b>	<b>9,084</b>	<b>-</b>	<b>(398,549)</b>	<b>101,389,851</b>
Change in fund balances	3,208,772	590,327	85,175	-	-	-	326,658	4,210,932
Fund balances, beginning	369,453	1,391,215	234,383	100,899	-	-	2,230,361	4,326,311
Fund balances, ending	<u>\$ 3,578,225</u>	<u>\$ 1,981,542</u>	<u>\$ 319,558</u>	<u>\$ 100,899</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,557,019</u>	<u>\$ 8,537,243</u>

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, 2013

Net change in Fund Balance - Total Governmental Funds \$ 4,210,932  
(Statement of Revenues, Expenditures and Changes in Fund Balance)

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

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

Capital asset additions	\$ 2,185,602	
Depreciation expense	<u>(5,610,605)</u>	(3,425,003)

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. (89,041)

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.

Decrease in compensated absences	<u>149,526</u>
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Change in net position of governmental activities (Statement of Activities)	<u>\$ 846,414</u>
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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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 91,199,000	\$ 94,527,700	\$ 94,527,700	\$ -
Other appropriations	6,964,100	6,964,100	6,964,100	-
Federal funds	20,316,800	21,719,666	10,194,385	(11,525,281)
Other state funds	7,635,800	7,926,800	3,941,733	(3,985,067)
Other financing sources	4,457,900	5,007,900	1,850,800	(3,157,100)
Reversions	-	-	(389,549)	(389,549)
Total revenues	130,573,600	136,146,166	117,089,169	<u>\$ (19,056,997)</u>
Prior year cash budgeted	<u>200,000</u>	<u>200,000</u>		
Total budgeted revenues	<u>\$ 130,773,600</u>	<u>\$ 136,346,166</u>		
Expenditures				
Personal services and benefits	\$ 89,161,800	\$ 87,059,900	81,270,867	\$ 5,789,033
Contract services	8,006,600	8,399,100	3,766,490	4,632,610
Other	33,405,200	40,887,166	28,843,040	12,044,126
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 130,573,600</u>	<u>\$ 136,346,166</u>	<u>113,880,397</u>	<u>\$ 22,465,769</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 3,208,772</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Federal funds	\$ 2,275,000	\$ 2,275,000	\$ 1,760,149	\$ (514,851)
Other state funds	-	-	3,915	3,915
Total budgeted revenues	2,275,000	2,275,000	1,764,064	<u>\$ (510,936)</u>
Prior year cash budgeted	1,000,000	1,000,000		
Total budgeted revenues	<u>\$ 3,275,000</u>	<u>\$ 3,275,000</u>		
Expenditures				
Other financing uses	\$ 3,275,000	\$ 3,275,000	1,173,736	\$ 2,101,264
Total budgeted expenditures	<u>\$ 3,275,000</u>	<u>\$ 3,275,000</u>	1,173,736	<u>\$ 2,101,264</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 590,328</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Federal funds	\$ -	\$ -	\$ 84,617	\$ 84,617
Other state funds	-	-	558	558
 Total budgeted revenues	 -	 -	 85,175	 <u>\$ 85,175</u>
 Prior year cash budgeted	 -	 -		
 Total budgeted revenues	 <u>\$ -</u>	 <u>\$ -</u>		
 <b>Expenditures</b>				
Other financing uses	\$ -	\$ -	-	\$ -
 Total budgeted expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 -	 <u>\$ -</u>
 Excess (deficiency) of revenue over expenditures			 <u>\$ 85,175</u>	

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, 2013

	<u>Agency Funds</u>
<b>ASSETS</b>	
Interest in State Treasurer General Fund Investment Pool	<u>\$ 410,662</u>
Total assets	<u>\$ 410,662</u>
<b>LIABILITIES</b>	
Assets held for others	<u>\$ 410,662</u>
Total liabilities	<u>\$ 410,662</u>

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

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

### 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.

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, including the existence of a financial benefit or burden relationship. Based upon the application of these criteria, the Department does not have any component units.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

1. Reporting Entity and Component Units – Continued

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.

The financial statements for the Department have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

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 Position, 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 Position. The Department's net position is reported in three parts; net investment in capital assets; restricted net position; and unrestricted net position.

The Department implemented GASB Statement No. 63 for the year ended June 30, 2013. The Statement of Net Position now includes deferred inflows and deferred outflows as applicable. There were no deferred inflows or deferred outflows at June 30, 2013. See Note Q for more information on the implementation of GASB 63.

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 four programs: Law Enforcement, Motor Transportation Police, Statewide Law Enforcement Support, and Program Support. Law Enforcement revenues consist of federal and state grants, court fines and forfeitures, concealed carry weapon fees, SLES, security reimbursements, auction proceeds and insurance claims. Motor Transportation Police revenues consist of federal and state grants, and two appropriations from the New Mexico Department of Transportation's Road Fund and the New Mexico Taxation & Revenue Department's Weight Distance Tax Permit Fund. Program Support revenues consist of federal grants, Law Enforcement Records Bureau photostat and fingerprint fees and state chemist fees.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

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 position 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, two Federal Forfeitures Special Revenue Funds, 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.

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:



**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

3. Basic Financial Statements - Fund Financial Statements – Continued

**Governmental Fund Types**

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

*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.

*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 Program 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.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

3. Basic Financial Statements - Fund Financial Statements – Continued

**Governmental Fund Types – Continued**

- 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.
- 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.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

3. Basic Financial Statements - Fund Financial Statements – Continued

**Governmental Fund Types – Continued**

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 inactive with no balances or activity during the year. It is a non-reverting fund.

*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.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

3. Basic Financial Statements - Fund Financial Statements – Continued

**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.

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 measure and report all assets, liabilities, revenues, expenses, gains and losses using the economic resources measurement focus and the accrual basis of accounting, and the Fiduciary Fund financial statements are presented on an accrual basis of accounting. The Governmental Funds in the fund financial statements are presented on a modified accrual basis.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

4. Basis of Accounting – Continued

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. Expenditures are generally recognized under modified accrual basis of accounting when the related liability is incurred.

Revenues are recognized as follows:

- 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.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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.

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.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

5. Budgets and Budgetary Accounting – Continued

- 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.
- 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 Annual General Appropriation Act, 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 2013 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

For cash management and investment purposes, funds of various state agencies are deposited in the State General Fund Investment Pool (the Pool), which is managed by the Office of the New Mexico State Treasurer. Claims on the Pool are reported as assets by the various agencies investing in the Pool.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

In June 2012, an independent diagnostic report revealed that Pool balances had not been reconciled at a “business unit by fund” level since the inception of the Statewide Human Resources, Accounting, and Management Reporting System (SHARE) system in July 2006. This report, entitled “Current State Diagnostic of Cash Control,” also described a difference between Pool bank balances and the corresponding general ledger balances and indicated that the effect of reconciling items were unknown. The report, dated June 20, 2012, is available on the website of the New Mexico Department of Finance & Administration at: [http://www.nmdfa.state.nm.us/Cash\\_Control.aspx](http://www.nmdfa.state.nm.us/Cash_Control.aspx).

By state statute, the New Mexico Department of Finance and Administration (DFA) is responsible for the performance of monthly reconciliations with the balances and accounts kept by the State Treasurer. Therefore, under the direction of the State Controller / Financial Control Division Director, the Financial Control Division (FCD) of the New Mexico Department of Finance & Administration undertook action to address the situation. DFA/FCD initiated the Cash Management Remediation Project (Remediation Project) in partnership with the Office of the New Mexico State Treasurer, the New Mexico Department of Information Technology, and a contracted third party with expertise in the Enterprise System Software used by the State.

The Remediation Project objective was to design and implement changes necessary to ensure ongoing completion of timely, accurate and comprehensive reconciliation of the Pool. DFA has or is in the process of implementing all the recommendations resulting for the Remediation Project and has made changes to the State’s SHARE system configuration, cash accounting policies and procedures, business practices, and banking structure. Additional changes recommended by the Project continue to be cascaded through DFA and state agencies to support the Business Unit by Fund accounting requirements.

A plan to address historical reconciling items is being assessed and a separate initiative will need to be undertaken to resolve the historical reconciling items. Management considers it unlikely that this separate initiative will be successful in allocating all historical reconciling items to the State entities invested in the Pool. As a result, any remaining differences post specific allocation to Pool participants will be reported in the State General Fund.

DFA recorded a loss contingency of \$101.7 million in the General Fund based on its estimate of the effect of issues related to the reconciliation of the Pool, that estimate is still current. Because no specific loss amount is determinable, consistent with generally accepted accounting principles, the amount accrued is the minimum amount that management considers to be probable. Ultimately, the loss could exceed the amount accrued, perhaps by a substantial amount.



**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

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

*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 FY 2013. 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, 2013

**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 \$11,010,033, as its share of the GFIP, is materially correct at June 30, 2013 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 position over a multi-year 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 2013, 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 \$927,256 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.

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 expended when purchased. Under the purchase method, the purchases of inventory are recorded as expenditures and at year-end the balance of inventories is recorded with an offsetting nonspendable amount of fund balance in the Governmental Fund Statements.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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.

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 <sup>th</sup> /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 <sup>th</sup> /Beyond	6.15	20	30

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

11. Accrued Compensated Absences - Annual Leave – Continued

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, 2013, 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.

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 position restricted by statute through enabling legislation is \$4,975,988 ; 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 is \$3,408,770; 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, 2013, follows:

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

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

12. Fund Balance Classifications – Continued

*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. It includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaids, deposits with vendors, assets held for sale, and long-term receivables.

*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 or Restricted by Legislation 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.

*Committed Fund Balance* - The Department's Committed Funds require formal action of the Board of Directors by resolution that identifies the specific circumstances under which these resources may be expended.

*Assigned Fund Balance* - Amounts that are constrained by the Department's expressed intent to use resources for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that Department has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

*Unassigned Fund Balance* - This is the residual classification of the General Fund. Only the General Fund can report a positive "unassigned fund balance". Other governmental funds might report a negative balance in this classification.

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

Details of the fund balances are included in the Governmental Fund Balance Sheet.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

12. Fund Balance Classifications – Continued

Fund/Program	Nonspendable	Restricted Purposes	Committed
General Fund (12800)	\$ -	\$ 116,980	\$ -
Petty Cash and Changes Funds	14,300	-	-
Inventories	7,520	-	-
Postage	30,655	-	-
Federal Forfeitures Fund (34300)			
Flashroll	100,000	-	-
Multi Year General Fund Appropriation (12800)			
Laws of 2012, 2nd S, Chapter 19, Section 5, Item 029	-	-	200,000
Laws of 2013, 1st S, Chapter 227, Section 5, Item 062	-	-	796,070
Laws of 2013, 1st S, Chapter 227, Section 5, Item 063	-	-	2,412,700
Federal Forfeitures Fund (34300)			
21 U.S.C.s 881 (e) (1) (A), 18.U.S.C.s 981 (e) and 19 U.S.C.s 1616	-	1,881,542	-
Federal Forfeitures Fund (71900)			
21 U.S.C.s 881 (e) (1) (A), 18.U.S.C.s 981 (e) and 19 U.S.C.s 1616	-	319,558	-
Capital Projects Fund (09000)			
Chapter 7 Section 14 Laws of 1998	-	100,899	-
State Chemist Fees Fund (27200)			
Section 31-12-9, NMSA 1978	-	716,020	-
CSA Forfeitures Fund (34200)			
Section 30-31-35, NMSA 1978	-	30,673	-
Orphan Material Recovery Fund (67000)			
Section 12-12-29, NMSA 1978	-	5,029	-
Crime Stoppers Rewards Fund (89400)			
NM Department of Finance and Administration Directive	-	21,043	-
Peace Officers' Fund (34600)			
Section 29-4A-4, NMSA 1978	-	350,324	-
Concealed Handgun Carry Fund (59400)			
Section 29-19-13, NMSA 1978	-	1,428,295	-
Special Donations Fund (88200)			
NM Department of Finance and Administration Directive	-	5,635	-
	<u>\$ 152,475</u>	<u>\$ 4,975,998</u>	<u>\$ 3,408,770</u>

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**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. Revenues and Expenditures

Substantially all governmental fund revenues are accrued, in the fund financial statements are those actually received within sixty days of year-end. Expenditures are recognized when related fund liability is incurred.

14. Classification of Expenses

The Department has classified its expenses as either operating or non-operating expenses according to the following criteria:

*Operating expenses:* Operating expenses include activities that have the characteristics of exchange transactions, such as (1) employee salaries, benefits, and related expenses; (2) utilities, supplies, and other services; (3) professional fees; and (4) depreciation expenses related to Department property, plant, and equipment.

*Non-operating expenses:* Non-operating expenses include activities that have the characteristics of non-exchange transactions, such as interest on capital asset-related debt and other expenses that are defined as non-operating expenses by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting*, and GASB Statement No. 34.

15. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

*Net Investment in Capital Assets* - is intended to reflect the portion of net position 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. The Department had net investment in capital assets of \$14,660,783 at June 30, 2013.

*Restricted* - are liquid assets (generated from revenues) which have third-party (statutory, restricted covenant or granting agency) limitations on their use.

*Unrestricted* - represent the residual assets of the Department which are not restricted.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

16. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 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, 2013 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, 2013, the Department had the following invested in the General Fund Investment Pool:

General Fund Investment Pool \$11,010,033

*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.



**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE C – CASH – CONTINUED**

*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, 2013.

*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, 2013. 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, 2013. All balances held by banking institutions were less than \$250,000.

**NOTE D – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables are as follows:

	<u>Due From (Receivable)</u>	<u>Due To (Payable)</u>
General Fund (12800)	\$ 658,919	\$ 29,885
State Chemist Fees (27200)	29,885	-
State Forfeitures (34200)	-	-
Federal Forfeitures (34300)	-	564,539
Federal Forfeitures (71900)	43,424	-
Concealed Handgun Carry (59400)	-	116,602
Advanced Training (78600)	-	21,202
	<hr/>	<hr/>
Total	<u>\$ 732,228</u>	<u>\$ 732,228</u>

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

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE D – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – CONTINUED**

The composition of interfund transfers are as follows:

	Transfers In	Transfers Out
General Fund (12800)	\$ 1,800,800	\$ -
State Chemist Fees (27200)	-	86,112
State Forfeitures (34200)	-	50,000
Federal Forfeitures (34300)	-	1,173,735
Federal Forfeitures (71900)	-	-
Concealed Handgun Carry (59400)	-	382,602
Advanced Training (78600)	-	108,351
	<u>\$ 1,800,800</u>	<u>\$ 1,800,800</u>
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)		
Taxation & Revenue Dept (333)	\$ -	\$ 5,667
Department of Transportation (805)	-	3,574
	<u>-</u>	<u>9,241</u>
General Fund (12800)		
Department of Transportation (805)	200,935	-
State Chemist Fees (27200)		
Administrative Office of the Courts (218)	17,524	-
Federal Forfeitures Fund (34300)		
State Treasurer (394)	152	-
Peace Officers' Survivors Fund (34600)		
State Treasurer (394)	30	-
ARRA (89000)		
Department of Finance and Administration (341)	-	-
Federal Forfeitures - Treasury Fund (71990)		
State Treasurer (394)	23	-
STB Capital Outlay (89200)		
Department of Finance and Administration (341)	9,084	-
	<u>227,748</u>	<u>-</u>
Total other non-major funds		
	<u>\$ 227,748</u>	<u>\$ 9,241</u>
Total		

State of New Mexico  
Department of Public Safety

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

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

	State General Fund 34101 General Fund Appropriation 85300	DFA 34100	DFA 34100-20900	DFA 34100-73600	Department of Transportation 80500-20100	Department of Tax & Rev 33300-99400	Department of Public Safety 12800	Department of Public Safety 78600
NM DPS General Fund - 12800								
General Fund Appropriation	\$ 91,199,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Road Fund Allotment	-	-	-	-	5,764,100	-	-	-
Supp Appr - Fleet Maintenance for SP Vehicles	100,000	-	-	-	-	-	-	-
Special Appr - Vehicle Replacement for SP & MTP	2,412,700	-	-	-	-	-	-	-
DP Appr - Computer Aided Dispatch	-	50,000	-	-	-	-	-	-
MTP - Weight Distance	-	-	-	-	-	1,200,000	-	-
Special Appr - In-car Digital Video Recording Equip	816,000	-	-	-	-	-	-	-
STP Capital Outlay - 89200								
DBS Fleet Replacements & Improv	-	-	-	-	-	-	-	-
BOF - Grant Approved - 40200								
NM DNA Identification Fund	-	-	131,925	-	-	-	-	-
NM DPS Peace Officers' Survivor Fund - 34600								
Replenish Fund	-	-	-	248,930	-	-	-	-
Capital Outlay - 93100								
General Fund Appropriation	-	-	-	-	-	-	-	-
Department of Finance - 34100								
State General Fund Reversion	-	-	-	-	-	-	306,993	20,414
Department of Transportation - 80500								
Road Fund Reversion	-	-	-	-	-	-	3,576	-
Taxation & Revenue Dept - 33300								
TRD Weight Distance Reversion	-	-	-	-	-	-	5,666	-
<b>Total</b>	<b>\$ 94,527,700</b>	<b>\$ 50,000</b>	<b>\$ 131,925</b>	<b>\$ 248,930</b>	<b>\$ 5,764,100</b>	<b>\$ 1,200,000</b>	<b>\$ 316,235</b>	<b>\$ 20,414</b>

State of New Mexico  
Department of Public Safety

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE F – CAPITAL ASSETS**

The capital assets activity for the year ended June 30, 2013, is as follows:

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Capital assets not being depreciated				
Land	\$ 14,394	\$ -	\$ -	\$ 14,394
Other capital assets				
Furniture and fixtures	\$ 256,394	\$ -	\$ (30,007)	\$ 226,387
Equipment and machinery	9,632,078	535,461	(66,956)	10,100,582
Automobile	27,472,199	942,290	(1,949,262)	26,465,227
Aircraft	7,355,969	-	(133,069)	7,222,900
Buildings and structures	1,574,170	29,831	-	1,604,001
Data processing equipment	6,344,449	664,271	-	7,008,720
Livestock and poultry	90,293	13,750	-	104,043
Total other capital assets	52,725,552	2,185,603	(2,179,294)	52,731,860
Accumulated depreciation for:				
Furniture and fixtures	154,840	18,756	(30,007)	143,589
Equipment and machinery	7,165,150	845,302	(66,956)	7,943,496
Automobile	18,612,261	3,623,274	(1,925,994)	20,309,541
Aircraft	2,148,655	735,597	(67,296)	2,816,956
Buildings and structures	631,489	73,638	-	705,127
Data processing equipment	5,777,827	296,923	-	6,074,750
Livestock and poultry	74,896	17,116	-	92,012
Total accumulated depreciation	34,565,118	5,610,606	(2,090,253)	38,085,471
Other capital assets, net	\$ 18,160,434	\$ (3,425,003)	\$ (89,041)	\$ 14,646,389
Capital assets summary				
Capital assets not being depreciated	\$ 14,394	\$ -	\$ -	\$ 14,394
Other capital assets, at cost	52,725,552	2,185,603	(2,179,294)	52,731,860
Total cost of capital assets	52,739,946	2,185,603	(2,179,294)	52,746,254
Accumulated depreciation	(34,565,118)	(5,610,606)	2,090,253	(38,085,471)
Capital assets, net	\$ 18,174,828	\$ (3,425,003)	\$ (89,041)	\$ 14,660,783

The Department does not have any debt related to capital assets at June 30, 2013. Depreciation expense for the Department amounted to \$5,610,605 and is considered a governmental activity and allocated to all governmental programs.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE G – DUE TO STATE GENERAL FUND (REVERSIONS)**

Section 6-5-10, NMSA 1978 requires all unreserved, undesignated fund balances in reverting funds and accounts revert to the State General Fund by September 30. Agencies may adjust the reversion within forty-five days of release of the audit report. Current-year reversions are calculated only for reverting accounts. Expenditures are classified based on the underlying appropriation in calculating the amount to revert. The amounts due to the State General Fund for the Department’s reversion of expired appropriations and other state funds at June 30, 2013 are:

General Fund - 12800	
General appropriation - current year	\$ 228,804
General appropriation - prior year	22,806
Other state funds	128,698
Special Revenue Fund - 78600	
Advanced training	20,414
Total	\$ 400,722

Reversions to the New Mexico Department of Transportation for the Road Fund appropriation and to the New Mexico Taxation and Revenue Department for the Weight Distance Tax Fund appropriation are recorded as Due To Other State Agencies:

NMDOT Road Fund	\$ 3,574
NMTRD Weight Distance Tax Fund	5,667
Total	\$ 9,241

The Department’s total reversion for FY 2013 to the State General Fund classified within transfers out (expenditures) is \$409,963. Due to the State General Fund of \$167,115 and due to other state agencies of \$9,241 total \$176,356. The amount due to the State General Fund is netted against a receivable due from the State General Fund of \$233,607 owed back to the Agency for an FY10 reversion.

**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 Position for annual leave based on current pay rates and hours accumulated at June 30, 2013.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE H – COMPENSATED ABSENCES PAYABLE – CONTINUED**

A summary of changes in the compensated absences payable for the year ended June 30, 2013, is as follows:

	Balance June 30, 2012	Increase	Decrease	Balance June 30, 2013
Compensated absences payable				
Due within one year	\$ 2,103,065	\$ 2,761,358	\$ (2,837,616)	\$ 2,026,807
Due after one year	2,020,592	2,653,070	(2,726,338)	1,947,324
Total	<u>\$ 4,123,657</u>	<u>\$ 5,414,428</u>	<u>\$ (5,563,954)</u>	<u>\$ 3,974,131</u>

**NOTE I – LEASE COMMITMENTS**

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

Year ended June 30	
2014	\$ 574,388
2015	591,456
2016	590,928
2017	326,758
2018	242,526
2019 - 2022	<u>465,549</u>
	<u>\$ 2,791,605</u>

During the year ended June 30, 2013, facilities and equipment rent expense were approximately \$880,000. The Department is party to a number of equipment leases; however, all can be cancelled with 30 days notice; 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.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE J – CONTINGENT LIABILITIES AND JUDGMENTS – CONTINUED**

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

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Department expects such amounts, if any, to be immaterial.

**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](http://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>
FY13	15.09%	8.92%
FY14	16.59%	8.92%
 <u>Enhanced</u>	 <u>Employer Contribution Rate</u>	 <u>Employee Contribution Rate</u>
FY13	23.60%	9.10%
FY14	25.10%	9.10%

The Department's contributions to PERA for the fiscal years ending June 30, 2013, 2012 and 2011 were \$9,128,619, \$8,211,735, and \$9,339,089, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**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](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. 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:



**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

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

<u>Non-Enhanced</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY13	2.000%	1.000%
FY14	2.000%	1.000%
<u>Enhanced</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY13	2.500%	1.250%
FY14	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, 2013, 2012 and 2011 were \$1,056,419, \$951,893, and \$889,908, 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, 2012 through June 30, 2013.

State of New Mexico  
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**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**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, 2013	Outstanding Encumbrances June 30, 2013	Amount to be Reverted	Unencumbered Appropriations
Fund 12800 General Fund Special	\$ 200,000	Network Circuits	March 2012 to June 2014	\$ 200,000	\$ -	\$ -	\$ 200,000 *
Fund 12800 General Fund Data Process	300,000	Replace CAD	March 2012 to June 2014	50,000	50,000	-	-
Fund 12800 General Fund Special	2,412,700	Vehicle Replacement	April 2013 to June 2014	2,412,700	-	-	2,412,700 *
Fund 12800 General Fund Special	816,000	In-Care Video Recording	April 2013 to June 2014	816,000	19,930	-	796,070 *
Fund 12800 General Fund Supplemental	100,000	NMSP Fleet & Rec School	April 2013 to June 2013	100,000	100,000	-	-
Fund 12800 General Fund Data Process	2,850,000	CAD/RMS	April 2013 to June 2015	-	-	-	-
Fund 12800 General Fund Data Process	450,000	AFIS/WIN	April 2013 to June 2015	-	-	-	-
Fund 89200 Capital Project Sev Tax Bond	297,000	Vehicles	July 2011 to June 2014	296,994	296,994	-	6 **
Fund 93100 Capital Outlay Appropriations	3,000,000	NMSP Vehicles	July 2011 to June 2014	3,000,000	3,000,000	-	-
Fund 93100 Capital Project Appropriations	<u>1,000,000</u>	MTP Vehicles	July 2011 to June 2014	<u>1,000,000</u>	<u>999,999</u>	<u>1</u> ***	<u>-</u>
Total	<u>\$ 11,425,700</u>			<u>\$ 7,875,694</u>	<u>\$ 4,466,923</u>	<u>\$ 1</u>	<u>\$ 3,408,776</u>

\* Unencumbered appropriation amounts are presented as reservations of fund balance for multi-year appropriations in the Balance Sheet-Governmental Funds as the funds have been received by the Department.

\*\* Unencumbered appropriation amount represents the unexpended portion of the appropriation. Severance Tax Bond-funded appropriations are reimbursed after expenditures have been incurred. As funds have not been expended, requested or received by the Department, the project will close in FY 2014 with no reversion.

\*\*\* Reverted in FY 2013.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**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, 2013 and 2012 of \$3,910,162 and \$3,912,537 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, 2013, 2012, and 2011, 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 – SIGNIFICANT ESTIMATES**

The Department records law enforcement training revenues based on the amounts collected in June that are remitted to the Department in July and August. An estimated receivable of \$411,158 at June 30, 2013 was recorded by the Department. An estimated allowance for doubtful accounts of \$379,548 was also provided in conjunction with this receivable, resulting in a net amount recorded of \$31,610.

The Department records trade revenues based on the amounts collected in June 2013 that are remitted to the Department in July and August 2013. An estimated receivable of \$608,961 at June 30, 2013 was recorded by the Department. An estimated allowance for doubtful accounts of \$170,626 was also provided in conjunction with this receivable, resulting in a net amount recorded of \$438,335.

***Receivables due to the Department:*** Per Article IV, Section 32 of the New Mexico Constitution, no obligation or liability will be exchanged, transferred, remitted, released, postponed or in any way diminished by the legislature, nor shall any such obligation or liability be extinguished except by the payment thereof into the proper treasury or by proper proceeding in court. The Department makes all reasonable efforts to collect any receivables past due.

Depreciation on capital assets is a second significant estimate. Depreciation totaled \$5,610,605 for the year ended June 30, 2013.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE Q – NEW ACCOUNTING STANDARDS**

*GASB 62*

The Department implemented Governmental Accounting Standards Board (GASB) Statement No. 62 during the year ended June 30, 2013, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which codifies preexisting authoritative guidance from all sources into GASB standards and edits such standards for the government environment as appropriate. It further eliminates the election for proprietary fund and business type reporting entities to apply certain Financial Accounting Standards guidance after November 30, 1989.

*GASB 63*

The Department implemented Governmental Accounting Standard Board Statement No. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources, and Net Position* (GASB 63) for the year ending June 30, 2013. GASB 63 introduces a fundamental change to the reporting of elements that make up a statement of financial position.

Deferred outflows of resources and deferred inflows of resources are now included in the elements that make up a statement of financial position and GASB 63 introduces the term net position for reporting the residual of all elements in a statement of financial position. The statement of financial position of the Department at June 30, 2013 conforms to the presentation requirements of GASB 63. There were no deferred outflows or inflows to separately report at June 30, 2013.

*GASB 65*

Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities* (GASB 65) changes the classification of various financial statement balances including several more common type transactions for presentation as assets and liabilities to deferred outflows and inflows of resources. GASB 65 is applicable for years beginning after December 15, 2012. The Department will implement this standard next year. Bond issuance costs for any future bond authorizations would be expensed as incurred on the statement of activities next year under this standard.

*GASB 68*

Governmental Accounting Standard Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB 68) revises existing guidance for governments that provide their employees with pension benefits. A principal change is the requirement to record a government's pro rata share of unfunded actuarial accrued liability (UAAL) on its financial statements for multiemployer cost sharing plan. The Department is a participating member of the Public Employees Retirement Association (PERA), a multiemployer cost sharing plan. Information to implement this standard will be developed by PERA and the State of New Mexico. The implementation date for GASB 68 is fiscal year 2015. The current status of the unfunded liability for PERA is \$6.18 billion based on the most recently issued audited financial statement at June 30, 2012. Legislation was passed in the last year changing PERA's plan benefits design and contribution requirements to fully fund UAAL within 30 years.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

June 30, 2013

**NOTE Q – NEW ACCOUNTING STANDARDS – CONTINUED**

*GASB 69*

This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term “government combinations” includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This Statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. GASB 69 is effective for FY 2015. The Department has evaluated GASB 69 and does not believe that it will have an impact on its financial statements.

*GASB 70*

This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees, enhance the information disclosed about a government's obligations and risk exposure from extending nonexchange financial guarantees, and will augment the ability of financial statement users to assess the probability that governments will repay obligation holders by requiring disclosures about obligations that are issued with this type of financial guarantee. The Department has evaluated GASB 70 and does not believe that it will have an impact on its financial statements.

State of New Mexico  
Department of Public Safety

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

June 30, 2013

	General Fund		Total
	General Fund Account	Local Law Enforcement Account	
<b>ASSETS</b>			
Interest in State Treasurer General Fund Investment Pool	\$ 5,550,883	\$ -	\$ 5,550,883
Cash in banks	39,815	-	39,815
Cash on hand	14,300	-	14,300
Federal grants receivable	5,398,627	-	5,398,627
Trade receivables	438,335	-	438,335
Due from other funds	658,919	-	658,919
Due from other agencies	200,958	-	200,958
Due from local government	-	-	-
Supplies inventory	7,520	-	7,520
Prepaid postage	30,655	-	30,655
	<u>30,655</u>	<u>-</u>	<u>30,655</u>
Total assets	<u>\$ 12,340,012</u>	<u>\$ -</u>	<u>\$ 12,340,012</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 6,377,332	\$ -	\$ 6,377,332
Accrued salaries payable	1,271,372	-	1,271,372
Deferred revenue	927,256	-	927,256
Due to other federal agencies	-	-	-
Due to other agencies	9,241	-	9,241
Due to the State General Fund	146,701	-	146,701
Due to other funds	29,885	-	29,885
	<u>29,885</u>	<u>-</u>	<u>29,885</u>
Total liabilities	8,761,787	-	8,761,787
<b>FUND BALANCE</b>			
Non-Spendable			
Petty cash and change funds	14,300	-	14,300
Inventories	7,520	-	7,520
Postage	30,655	-	30,655
Spendable			
Restricted	116,980	-	116,980
Committed	3,408,770	-	3,408,770
	<u>3,408,770</u>	<u>-</u>	<u>3,408,770</u>
Total fund balance	<u>3,578,225</u>	<u>-</u>	<u>3,578,225</u>
Total liabilities and fund balance	<u>\$ 12,340,012</u>	<u>\$ -</u>	<u>\$ 12,340,012</u>

State of New Mexico  
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**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL ACCOUNTS -  
MAJOR GOVERNMENTAL FUNDS - GENERAL FUND**

Year Ended June 30, 2013

	General Fund		Total
	General Fund Account	Local Law Enforcement Account	
<b>Revenues</b>			
Federal grants	\$ 10,194,385	\$ -	\$ 10,194,385
State grants	736,801	-	736,801
Other program fees	2,938,426	-	2,938,426
Proceeds from sale of property	266,506	-	266,506
<b>Total revenues</b>	<b>14,136,118</b>	<b>-</b>	<b>14,136,118</b>
<b>Expenditures</b>			
Public safety			
Current			
Personal services and employee benefits	81,270,867	-	81,270,867
Contractual services	3,766,490	-	3,766,490
Other costs	26,657,438	-	26,657,438
Capital outlay	2,185,602	-	2,185,602
<b>Total expenditures</b>	<b>113,880,397</b>	<b>-</b>	<b>113,880,397</b>
Excess (deficiency) of revenues over expenditures	(99,744,279)	-	(99,744,279)
<b>Other financing sources (uses)</b>			
State General Fund appropriations	94,527,700	-	94,527,700
State Road Fund appropriations	5,764,100	-	5,764,100
Weight Distance Tax Permit Fund appropriations	1,200,000	-	1,200,000
Reversions to State General Fund	(389,549)	-	(389,549)
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Interagency transfer in	50,000	-	50,000
Interfund transfer in	1,800,800	-	1,800,800
Interagency transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>102,953,051</b>	<b>-</b>	<b>102,953,051</b>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	3,208,772	-	3,208,772
Fund balance, beginning	369,453	-	369,453
Fund balance, ending	<u>\$ 3,578,225</u>	<u>\$ -</u>	<u>\$ 3,578,225</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 5,204,200	\$ 5,204,200	\$ 5,204,200	\$ -
Other appropriations	-	-	-	-
Federal funds	4,876,700	4,876,700	2,609,445	(2,267,255)
Other state funds	-	-	1,717	1,717
Other financing sources	-	-	-	-
Reversion to State General Fund	-	-	(60,876)	(60,876)
	10,080,900	10,080,900	7,754,486	\$ (2,326,414)
 Total revenues				
	10,080,900	10,080,900	7,754,486	\$ (2,326,414)
 Prior year cash budgeted	-	-		
	-	-		
 Total budgeted revenues	\$ 10,080,900	\$ 10,080,900		
 Expenditures				
Personal services and benefits	\$ 3,935,100	\$ 3,856,100	3,643,055	\$ 213,045
Contract services	138,200	217,200	181,841	35,359
Other	6,007,600	6,007,600	3,944,748	2,062,852
Other financing uses	-	-	-	-
	-	-	-	-
 Total budgeted expenditures	\$ 10,080,900	\$ 10,080,900	7,769,644	\$ 2,311,256
 Excess (deficiency) of revenue over expenditures			\$ (15,158)	



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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 66,678,600	\$ 66,778,600	\$ 66,778,600	\$ -
Other appropriations	-	-	-	-
Federal funds	6,365,500	6,506,244	2,949,197	(3,557,047)
Other state funds	3,916,400	4,116,400	1,605,855	(2,510,545)
Other financing sources	3,857,900	4,357,900	1,606,337	(2,751,563)
Reversion to State General Fund	-	-	(184,690)	(184,690)
	<u>80,818,400</u>	<u>81,759,144</u>	<u>72,755,299</u>	<u>\$ (9,003,845)</u>
Prior year cash budgeted	-	-		
	<u>\$ 80,818,400</u>	<u>\$ 81,759,144</u>		
Expenditures				
Personal services and benefits	\$ 59,672,700	\$ 58,813,700	55,016,121	\$ 3,797,579
Contract services	1,513,300	1,683,300	1,107,705	575,595
Other	19,632,400	21,262,144	16,638,663	4,623,481
Other financing uses	-	-	-	-
	<u>\$ 80,818,400</u>	<u>\$ 81,759,144</u>	<u>72,762,489</u>	<u>\$ 8,996,655</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (7,190)</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 9,323,800	\$ 9,323,800	\$ 9,323,800	\$ -
Other appropriations	6,964,100	6,964,100	6,964,100	-
Federal funds	6,272,300	7,534,422	3,368,706	(4,165,716)
Other state funds	1,866,500	1,866,500	362,618	(1,503,882)
Other financing sources	-	-	-	-
Reversion to State General Fund	-	-	(52,481)	(52,481)
	24,426,700	25,688,822	19,966,743	<u>\$ (5,722,079)</u>
 Total revenues				
Prior year cash budgeted	-	-		
 Total budgeted revenues	<u>\$ 24,426,700</u>	<u>\$ 25,688,822</u>		
 Expenditures				
Personal services and benefits	\$ 16,156,400	\$ 15,845,500	14,491,377	\$ 1,354,123
Contract services	3,829,500	3,848,500	859,011	2,989,489
Other	4,440,800	5,994,822	4,616,816	1,378,006
Other financing uses	-	-	-	-
	24,426,700	25,688,822	19,967,204	<u>\$ 5,721,618</u>
 Total budgeted expenditures				
Excess (deficiency) of revenue over expenditures			<u>\$ (461)</u>	

State of New Mexico  
Department of Public Safety

**SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (BUDGETARY BASIS) -  
STATEWIDE LAW ENFORCEMENT SUPPORT PROGRAM - FUND 128 P786  
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 9,992,400	\$ 9,892,400	\$ 9,892,400	\$ -
Other appropriations	-	-	-	-
Federal funds	2,802,300	2,802,300	1,267,037	(1,535,263)
Other state funds	1,852,900	1,943,900	1,971,543	27,643
Other financing sources	600,000	600,000	194,463	(405,537)
Reversion to State General Fund	-	-	(91,502)	(91,502)
	15,247,600	15,238,600	13,233,941	<u>\$ (2,004,659)</u>
Total revenues				
Prior year cash budgeted	-	-		
	<u>\$ 15,247,600</u>	<u>\$ 15,238,600</u>		
Total budgeted revenues				
Expenditures				
Personal services and benefits	\$ 9,397,600	\$ 8,544,600	8,120,314	\$ 424,286
Contract services	2,525,600	2,600,100	1,567,933	1,032,167
Other	3,324,400	4,093,900	3,545,694	548,206
Other financing uses	-	-	-	-
	<u>\$ 15,247,600</u>	<u>\$ 15,238,600</u>	13,233,941	<u>\$ 2,004,659</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) -  
SPECIAL MULTI-YEAR APPROPRIATION - WIDE AREA NETWORK CIRCUITS - ENDS JUNE 30, 2014 - FUND 128 Z20529  
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2013

	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	-	-	-	-
Total revenues	-	-	-	<u>\$ -</u>
Prior year cash budgeted	<u>200,000</u>	<u>200,000</u>		
Total budgeted revenues	<u>\$ 200,000</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>\$ -</u>	

State of New Mexico  
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**SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (BUDGETARY BASIS) -  
DATA PROCESSING APPROPRIATION - REPLACE CAD - ENDS JUNE 30, 2014 - FUND 128 Z20719  
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	50,000	50,000	-
Reversion to State General Fund	-	-	-	-
	-	-	-	-
Total revenues	-	50,000	50,000	<u>\$ -</u>
 Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ -</u>	<u>\$ 50,000</u>		
 Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	50,000	50,000	-
Other	-	-	-	-
Other financing uses	-	-	-	-
	-	-	-	-
Total budgeted expenditures	<u>\$ -</u>	<u>\$ 50,000</u>	<u>50,000</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) -  
SPECIAL APPROPRIATION - VEHICLE REPLACEMENT - ENDS JUNE 30, 2014 - FUND 128 Z30562  
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ 2,412,700	\$ 2,412,700	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversion to State General Fund	-	-	-	-
	-	2,412,700	2,412,700	<u>\$ -</u>
Total revenues	-	2,412,700	2,412,700	<u>\$ -</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ -</u>	<u>\$ 2,412,700</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	2,412,700	-	2,412,700
Other financing uses	-	-	-	-
	-	-	-	-
Total budgeted expenditures	<u>\$ -</u>	<u>\$ 2,412,700</u>	<u>-</u>	<u>\$ 2,412,700</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 2,412,700</u>	

State of New Mexico  
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**SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (BUDGETARY BASIS) -  
SPECIAL APPROPRIATION - IN-CAR DIGITAL RECORDING EQUIPMENT - ENDS JUNE 30, 2014 - FUND 128 Z30563  
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ 816,000	\$ 816,000	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversion to State General Fund	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	816,000	816,000	<u>\$ -</u>
Prior year cash budgeted	-	-		
	<hr/>	<hr/>		
Total budgeted revenues	<u>\$ -</u>	<u>\$ 816,000</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	816,000	19,930	796,070
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ -</u>	<u>\$ 816,000</u>	<u>19,930</u>	<u>\$ 796,070</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 796,070</u>	

State of New Mexico  
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**SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (BUDGETARY BASIS) -  
SUPPLEMENTAL APPROPRIATION - NMSP FLEET & RECRUIT SCHOOL - ENDS JUNE 30, 2013 - FUND 128 Z30610  
MAJOR GOVERNMENTAL FUND - GENERAL FUND**

Year Ended June 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ 100,000	\$ 100,000	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversion to State General Fund	-	-	-	-
	-	100,000	100,000	<u>\$ -</u>
Total revenues				
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ -</u>	<u>\$ 100,000</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	100,000	100,000	-
Other financing uses	-	-	-	-
	-	-	-	-
Total budgeted expenditures	<u>\$ -</u>	<u>\$ 100,000</u>	100,000	<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) -  
FLEET REPLACEMENT - ENDS JUNE 30, 2014 - FUND 892  
CAPITAL PROJECTS FUND**

Year Ended June 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	9,090	9,090	9,084	(6)
Reversions	-	-	-	-
	9,090	9,090	9,084	<u>\$ (6)</u>
Total revenues				
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 9,090</u>	<u>\$ 9,090</u>		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	9,090	9,090	9,084	6
Other financing uses	-	-	-	-
	9,090	9,090	9,084	<u>\$ 6</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) -  
LAW ENFORCEMENT VEHICLES - ENDS JUNE 30, 2014 - FUND 931  
CAPITAL PROJECTS FUND**

Year Ended June 30, 2013

	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>	

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, 2014 - FUND 931 A111304  
CAPITAL PROJECTS FUND**

Year Ended June 30, 2013

	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>	

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, 2014 - FUND 931 A111305  
CAPITAL PROJECTS FUND**

Year Ended June 30, 2013

	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>	

State of New Mexico  
Department of Public Safety

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

June 30, 2013

	State Chemist Fees	CSA Forfeitures	Orphan Material Recovery	Special Law Enforcement Advanced Training
<b>ASSETS</b>				
Interest in State Treasurer General Fund Investment Pool	\$ 668,610	\$ 30,673	\$ 5,029	\$ 10,007
Cash in banks	-	-	-	-
Cash on hand	-	-	-	-
Due from other funds	29,885	-	-	-
Due from other state agencies	17,524	-	-	-
Due from federal government	-	-	-	-
Due from local government less allowance for doubtful accounts of \$379,548	-	-	-	31,610
Total assets	<u>\$ 716,019</u>	<u>\$ 30,673</u>	<u>\$ 5,029</u>	<u>\$ 41,617</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	21,202
Due to State General Fund	-	-	-	20,415
Total liabilities	-	-	-	41,617
Fund Balances				
Spendable				
Restricted	716,019	30,673	5,029	-
Total fund balances	716,019	30,673	5,029	-
Total liabilities and fund balances	<u>\$ 716,019</u>	<u>\$ 30,673</u>	<u>\$ 5,029</u>	<u>\$ 41,617</u>

Revenue Funds						Total Non-Major Governmental Funds
Federal Forfeitures MTD	Crime Stoppers Rewards	Peace Officers' Fund	Concealed Handgun Carry	Special Donations	ARRA	
\$ -	\$ 21,043	\$ 350,293	\$ 1,544,846	\$ 5,635	\$ 52	\$ 2,636,188
-	-	-	-	-	-	-
-	-	-	-	-	-	29,885
-	-	30	-	-	-	17,554
-	-	-	-	-	-	-
-	-	-	-	-	-	31,610
<u>\$ -</u>	<u>\$ 21,043</u>	<u>\$ 350,323</u>	<u>\$ 1,544,846</u>	<u>\$ 5,635</u>	<u>\$ 52</u>	<u>\$ 2,715,237</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	116,602	-	-	137,804
-	-	-	-	-	-	20,415
-	-	-	116,602	-	-	158,219
-	21,043	350,323	1,428,244	5,635	52	2,557,018
-	21,043	350,323	1,428,244	5,635	52	2,557,018
<u>\$ -</u>	<u>\$ 21,043</u>	<u>\$ 350,323</u>	<u>\$ 1,544,846</u>	<u>\$ 5,635</u>	<u>\$ 52</u>	<u>\$ 2,715,237</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, 2013

	State Chemist Fees	CSA Forfeitures	Orphan Material Recovery	Law Enforcement Advanced Training
Revenues				
Federal revenue	\$ -	\$ -	\$ -	\$ -
Other state funds				
Fees	214,887	-	-	-
Admissions	-	-	-	128,765
Forfeitures	-	-	-	-
Other	-	100	-	-
Total revenues	214,887	100	-	128,765
Expenditures				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	214,887	100	-	128,765
Other financing sources (uses)				
State General Fund appropriation	-	-	-	-
Reversion to state general fund	-	-	-	(20,414)
Other sources	-	-	-	-
Interfund transfers in	-	-	-	-
Interfund transfers out	(86,112)	(50,000)	-	(108,351)
Total other financing sources (uses)	(86,112)	(50,000)	-	(128,765)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	128,775	(49,900)	-	-
Fund balance, beginning	587,244	80,573	5,029	-
Fund balance, ending	\$ 716,019	\$ 30,673	\$ 5,029	\$ -

Special Revenue Funds						Total
Federal Forfeitures MTD	Crime Stoppers Rewards	Peace Officers' Fund	Concealed Handgun Carry	Special Donations	ARRA	Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,137	\$ 35,137
-	-	-	633,419	-	-	848,306
-	-	-	-	-	-	128,765
-	-	-	-	-	-	-
-	-	647	-	-	-	747
-	-	647	633,419	-	35,137	1,012,955
-	2,610	250,000	-	-	35,137	287,747
-	2,610	250,000	-	-	35,137	287,747
-	(2,610)	(249,353)	633,419	-	-	725,208
-	-	-	-	-	-	-
-	-	-	-	-	-	(20,414)
-	-	-	-	-	-	-
-	-	248,930	-	-	-	248,930
-	-	-	(382,602)	-	-	(627,065)
-	-	248,930	(382,602)	-	-	(398,549)
-	(2,610)	(423)	250,817	-	-	326,659
-	23,653	350,746	1,177,427	5,635	52	2,230,359
<u>\$ -</u>	<u>\$ 21,043</u>	<u>\$ 350,323</u>	<u>\$ 1,428,244</u>	<u>\$ 5,635</u>	<u>\$ 52</u>	<u>\$ 2,557,018</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, 2013

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Other state funds	\$ 247,500	\$ 247,500	\$ 214,887	\$ (32,613)
Total revenues	247,500	247,500	214,887	<u>\$ (32,613)</u>
Prior year cash budgeted	<u>100,000</u>	<u>100,000</u>		
Total budgeted revenues	<u>\$ 347,500</u>	<u>\$ 347,500</u>		
Expenditures				
Other financing uses	\$ 347,500	\$ 347,500	86,112	\$ 261,388
Total budgeted expenditures	<u>\$ 347,500</u>	<u>\$ 347,500</u>	<u>86,112</u>	<u>\$ 261,388</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 128,775</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ -	\$ -	\$ 100	\$ 100
Total revenues	-	-	100	<u>\$ 100</u>
Prior year cash budgeted	<u>50,000</u>	<u>50,000</u>		
Total budgeted revenues	<u>\$ 50,000</u>	<u>\$ 50,000</u>		
Expenditures				
Other financing uses	\$ 50,000	\$ 50,000	50,000	\$ -
Total budgeted expenditures	<u>\$ 50,000</u>	<u>\$ 50,000</u>	50,000	<u>\$ -</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (49,900)</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ -	\$ -	\$ 647	\$ 647
Other financing sources	-	-	248,930	248,930
Total revenues	-	-	249,577	<u>\$ 249,577</u>
Prior year cash budgeted	-	250,000		
Total budgeted revenues	<u>\$ -</u>	<u>\$ 250,000</u>		
Expenditures				
Other	\$ -	\$ 250,000	250,000	\$ -
Total budgeted expenditures	<u>\$ -</u>	<u>\$ 250,000</u>	250,000	<u>\$ -</u>
Excess (deficiency) of revenue over expenditures			<u>\$ (423)</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ 382,900	\$ 682,900	\$ 633,419	\$ (49,481)
Total revenues	382,900	682,900	633,419	<u>\$ (49,481)</u>
Prior year cash budgeted	<u>145,000</u>	<u>345,000</u>		
Total budgeted revenues	<u>\$ 527,900</u>	<u>\$ 1,027,900</u>		
Expenditures				
Other financing uses	\$ 527,900	\$ 1,027,900	382,602	\$ 645,298
Total budgeted expenditures	<u>\$ 527,900</u>	<u>\$ 1,027,900</u>	<u>382,602</u>	<u>\$ 645,298</u>
Excess (deficiency) of revenue over expenditures			<u>\$ 250,817</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	<u>\$ -</u>
Prior year cash budgeted	<u>5,000</u>	<u>5,000</u>		
Total budgeted revenues	<u>\$ 5,000</u>	<u>\$ 5,000</u>		
Expenditures				
Other financing uses	\$ 5,000	\$ 5,000	-	\$ 5,000
Total budgeted expenditures	<u>\$ 5,000</u>	<u>\$ 5,000</u>	-	<u>\$ 5,000</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) -  
ADVANCED TRAINING FEES - FUND 786**

Year Ended June 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ 252,500	\$ 252,500	\$ 128,766	\$ (123,734)
Reversion to State General Fund	-	-	(20,414)	(20,414)
Total revenues	252,500	252,500	108,352	<u>\$ (144,148)</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	<u>\$ 252,500</u>	<u>\$ 252,500</u>		
Expenditures				
Other financing uses	\$ 252,500	\$ 252,500	108,352	\$ 144,148
Total budgeted expenditures	<u>\$ 252,500</u>	<u>\$ 252,500</u>	108,352	<u>\$ 144,148</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Other state funds	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	<u>\$ -</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>\$ -</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  
US DEPARTMENT OF JUSTICE - JUSTICE ASSISTANCE GRANT**

Year Ended June 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	63,050	63,050	35,137	(27,913)
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
Total revenues	63,050	63,050	35,137	<u>\$ (27,913)</u>
Prior year cash budgeted	-	-		
Total budgeted revenues	\$ 63,050	\$ 63,050		
Expenditures				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	55,290	55,290	27,380	27,910
Other	7,760	7,760	7,757	3
Other financing uses	-	-	-	-
Total budgeted expenditures	\$ 63,050	\$ 63,050	35,137	\$ 27,913
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 R1DOJ00001  
STATE GOVERNMENT SUB-GRANTS**

Year Ended June 30, 2013

	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) -  
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890 R1DOJ00001  
LOCAL GOVERNMENT SUB-GRANTS**

Year Ended June 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-	<u>\$ -</u>
Prior year cash budgeted	<hr/>	<hr/>		
Total budgeted revenues	<u>\$ -</u>	<u>\$ -</u>		
<b>Expenditures</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	-	-	-
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ -</u>	<u>\$ -</u>	<hr/>	<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) -  
AMERICAN RECOVERY AND REINVESTMENT ACT - FUND 890 R1DOJ10001  
ADMINISTRATION**

Year Ended June 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	63,050	63,050	35,137	(27,913)
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Reversions	-	-	-	-
<b>Total revenues</b>	<b>63,050</b>	<b>63,050</b>	<b>35,137</b>	<b>\$ (27,913)</b>
 Prior year cash budgeted	 -	 -		
 <b>Total budgeted revenues</b>	 <b>\$ 63,050</b>	 <b>\$ 63,050</b>		
<b>Expenditures</b>				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	55,290	55,290	27,380	27,910
Other	7,760	7,760	7,757	3
Other financing uses	-	-	-	-
<b>Total budgeted expenditures</b>	<b>\$ 63,050</b>	<b>\$ 63,050</b>	<b>35,137</b>	<b>\$ 27,913</b>
 Excess (deficiency) of revenue over expenditures			 <b>\$ -</b>	

State of New Mexico  
Department of Public Safety

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

June 30, 2013

	<u>DNA Fund</u>	<u>Evidence Fund</u>	<u>Governmental Gross Receipts Tax Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Interest in State Treasurer General Fund Investment Pool	<u>\$ 270,720</u>	<u>\$ 139,942</u>	<u>\$ -</u>	<u>\$ 410,662</u>
Total assets	<u><u>\$ 270,720</u></u>	<u><u>\$ 139,942</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 410,662</u></u>
<b>LIABILITIES</b>				
Assets held for others	<u>\$ 270,720</u>	<u>\$ 139,942</u>	<u>\$ -</u>	<u>\$ 410,662</u>
Total liabilities	<u><u>\$ 270,720</u></u>	<u><u>\$ 139,942</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 410,662</u></u>

State of New Mexico  
Department of Public Safety

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

June 30, 2013

	Balance June 30, 2012	Additions	(Deductions)	Balance June 30, 2013
<b>DNA Fund (402000)</b>				
<b>ASSETS</b>				
Interest in State Treasurer General Fund Investment Pool	\$ 65,953	\$ 336,691	\$ (131,924)	\$ 270,720
<b>LIABILITIES</b>				
Assets held for others	\$ 65,953	\$ 336,691	\$ (131,924)	\$ 270,720
<b>Evidence Fund (105600)</b>				
<b>ASSETS</b>				
Interest in State Treasurer General Fund Investment Pool	\$ 116,463	\$ 47,583	\$ (24,104)	\$ 139,942
<b>LIABILITIES</b>				
Assets held for others	\$ 116,463	\$ 47,583	\$ (24,104)	\$ 139,942
<b>Governmental Gross Receipts Tax Fund (787000)</b>				
<b>ASSETS</b>				
Interest in State Treasurer General Fund Investment Pool	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-
	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES</b>				
Assets held for others	\$ -	\$ -	\$ -	\$ -
<b>Total Agency Funds</b>				
<b>ASSETS</b>				
Interest in State Treasurer General Fund Investment Pool	\$ 182,416	\$ 384,274	\$ (156,028)	\$ 410,662
<b>LIABILITIES</b>				
Assets held for others	\$ 182,416	\$ 384,274	\$ (156,028)	\$ 410,662

State of New Mexico  
Department of Public Safety

**SCHEDULE OF CASH**

June 30, 2013

Name of Depository	Account Name	SHARE Fund No.	Type of Account	Interest Bearing	Bank Balance at June 30, 2013	Reconciled Balance at June 30, 2013
<b>Governmental Fund Types</b>						
<b>General Fund</b>						
New Mexico State Treasurer	Department of Public Safety	128000	State Treasury	No	\$ 5,550,883	\$ 5,550,883
New Mexico State Treasurer	Local Law Enforcement Block Grant	696000	State Treasury	No	-	-
Wells Fargo Bank	Contingency Fund Account	128000	Wells Fargo - Checking	No	3,645	3,645
	SID Regular Contingency	128000	Cash on Hand	N/A	-	3,335
	SID - DOH Cigarette/Tobacco	128000	Cash on Hand	N/A	-	1,142
	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	4,896	4,896
<b>Total General Fund Cash</b>					<b>5,559,424</b>	<b>5,578,201</b>
<b>Special Revenue Funds</b>						
New Mexico State Treasurer	Forfeitures CSA	342000	State Treasury	No	30,673	30,673
New Mexico State Treasurer	Federal Forfeitures	343000	State Treasury	Yes	2,445,929	2,445,929
New Mexico State Treasurer	DPS - Peace Officers Survival Fund	346000	State Treasury	Yes	350,293	350,293
New Mexico State Treasurer	DPS - Governmental Gross Receipts	787000	State Treasury	No	-	-
New Mexico State Treasurer	ARRA	890000	State Treasury	No	-	52
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	10,007	10,007
New Mexico State Treasurer	Concealed Carry Handgun	594000	State Treasury	No	1,544,846	1,544,846
New Mexico State Treasurer	State Chemist Fees	272000	State Treasury	No	668,610	668,610
New Mexico State Treasurer	Crime Stopper Commission	904000	State Treasury	No	-	-
New Mexico State Treasurer	Federal Forfeitures - Treasury	719000	State Treasury	Yes	276,134	276,134
Bank of America	Crime Stoppers Rewards	894000	Checking	No	21,043	21,043
Bank of America	Procurement of Evidence	128000	Checking	No	8,798	8,798
	Cash w/Undercover Agents - Narc	128000	Cash on Hand	N/A	-	17,998
	Cash in vault - Federal Forfeitures	343000	Cash in Vault	N/A	-	100,000
New Mexico State Treasurer	Special Donations	882000	State Treasury	No	5,636	5,636
<b>Total Special Revenue Funds</b>					<b>5,366,998</b>	<b>5,485,048</b>
<b>Capital Projects</b>						
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	-	-
<b>Total Capital Projects Funds</b>					<b>100,899</b>	<b>100,899</b>
<b>Total Governmental Fund Types</b>					<b>11,027,321</b>	<b>11,164,148</b>
<b>Fiduciary Fund Types</b>						
<b>Agency Funds</b>						
New Mexico State Treasurer	DPS - DNA Identification Fund	402000	State Treasury	No	270,720	270,720
New Mexico State Treasurer	Cash in Vault - Confiscated Evidence	105600	Cash on Hand	No	-	139,942
<b>Total Agency Funds</b>					<b>270,720</b>	<b>410,662</b>
<b>Total Cash</b>					<b>\$ 11,298,041</b>	<b>\$ 11,574,810</b>

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, 2013

Contractor	FY13 Dollar Amt	Description of Services	Effective Date	End Date
3M Cogent (PSC)	\$0	Outsourced Fingerprinting Service IT	11/20/12	11/19/16
Atkinson & Co. Ltd (PSC)	\$74,900	Audit Services for fiscal year ending 6/30/12	7/1/12	6/30/13
Computer Projects of IL (PSC-IT Maintenance)	\$0 in FY13	Maintenance and Extended Warranty on NMLETS system	8/16/11	5/13/14
Computer Projects of IL (PSC)	\$0 in FY13	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)	\$0 in FY13	Deleting/Adding deliverables to NMLETS contract	8/16/11	8/31/13
Computer Projects of IL (PSC Amendment 2)	\$0 in FY13	Amendment 2 CJIS online security and awareness training module license and setup	5/22/12	8/31/13
Deloitte Consulting (PSC)	\$54,094	Grants Configuration	3/14/13	6/30/13
Deloitte Consulting (PSC)	\$54,094	Labor and Fringe Analysis	3/14/13	5/13/13
Deloitte (PSC)	\$295,200 (total contract \$645K)	Implement Agency specific SHARE configuration changes in the SHARE Grants Suite	5/28/13	4/30/14
Concentra/Occupational Health Ctrs (PSC)	\$50,000	Medical Exams	5/10/13	6/30/13
Dr. Lori Martinez-Conticelli (PSC)	\$37,800	Psychologist for Police Officer Support Team	7/1/12	6/30/13
Jim DeLung LLC (PSC)	\$11,980	Essentials of Leadership Through Organizational Behavior course for Law Enforcement	2/19/13	6/30/13
Diverse Computing (PSC)	\$0 in FY13	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 Inc/Amendment 2 (PSC IT)	\$0 in FY13	Adding deliverable: Smartphone Application License	11/16/11	8/31/13
Forensic Behavioral Health (PSC)	\$37,996	Psych exams	8/17/12	6/30/13
Forensic Behavioral Health Assoc (PSC) Amendment One	\$12,004	Additional Psych Exams for FY13	4/13/13	6/30/13
Intelligent Imaging Systems Inc. (PSC)	\$300,000	Maintenance of Smart Roadside Systems	12/27/12	8/31/13
Intelligent Imaging Amendment 2 (PSC)	\$0 in FY13	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 (PSC Amendment 4)	\$0	Change to deliverable due dates only on Amendment 2	3/28/11	2/19/13
Intelligent Imaging (PSC IT) Amendment 5 to 09-790-5000-0012	\$0 in FY13	Additional sites for MTPD Smart Portal	11/17/11	2/19/13
Intelligent Imaging Systems (IT PSC) Sole Sce	\$1,071,883 total contract; \$0 in FY13	Implementation of the WIM+Lane control Integration plus	5/30/13	5/29/15
Intelligent Imaging (PSC IT)	\$199,980	IT Software/Hardware Maintenance Contract	10/5/11	10/4/12
International Road Dynamics (PSC)	\$43,703	Maintenance & Support of Weigh In Scales	7/1/12	6/30/13
Medworks (PSC)	Per exam based	Medical Exams	7/1/09	7/17/13
Morphotrak IT Maintenance (IT PSC Hybrid)	\$475,067	AFIS Maintenance	5/18/10	5/15/14
Morphotrak (IT PSC)	\$83,360	Modifications to Sex Offender system	6/5/13	6/4/14
Morphotrak (IT PSC)	\$270,528; \$73,064 in FY13	AFIS Upgrades	6/14/13	6/13/14
MTG Management Consultants (PSC)	\$52,159	Assist w/providing an assessment of the current CAD system, develop a vision for a future CAD/RMS environment, examine what peer agencies have done and a summary of current CAD/RMS vendor capabilities in the market today.	11/21/12	12/31/12
Dr. Elisabeth Perry (PSC)	\$50,000	Psychological Exams	7/1/12	6/30/13
POD Inc. (MTPD) (PSC)	\$16,703	Development of RFP for new Permitting System for MTPD	3/9/12	3/8/13
POD Inc. (HR) (PSC)	\$60,945	SHARE modifications	3/29/12	3/28/13
POD Inc. (IT PSC)	\$0	Amendment One to extend term to Time&Labor SHARE Project	3/28/13	6/30/13
POD Amendment Two (PSC)	\$0	Decrease funds to disencumber unused ARRA funds	5/23/13	6/30/13
Scenario Training Alliance of NM (PSC)	\$36,000	Scenario training of students of cadet class #184 & #185.	8/29/12	6/30/13
TacOne Consulting (PSC)	\$7,125	Officer Survival Training	11/20/12	6/30/13
TACT & Assoc (PSC)	\$12,500	Biennium In-Service Training	11/7/12	6/30/13
TACT & Assoc (PSC)	\$20,000	Crash Reconstruction Course	11/21/12	6/30/13
Universal Investigations (PSC)	\$15,000	Investigation of EEO complaints	4/12/13	4/11/14
Watch Systems LLC (PSC)	\$362,387	Development/Implementation of Sex Offender Registry System	9/4/12	9/3/14
Watch Systems/Amendment One (PSC)	\$7,000	Electronic Signature Pad Interface	4/16/13	9/3/14
Xerox State & Local Solutions (formerly ACS)	\$38,280	CVIEW Maintenance (MTPD)	7/1/12	12/31/12
Xerox State & Local Solutions (formerly ACS)	\$322,558	Permitting Maintenance (MTPD)	7/1/12	8/31/13

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, 2013

Contractor	FY13 Dollar Amt	Description of Services	Effective Date	End Date
Bernalillo County (JPA)	\$0	E911 equipment use/maintenance at District 5 Albuquerque	11/24/09	Indefinite
BLM (JPA)	\$0	Officer involved shootings investigations	7/26/10	5 yrs
Chaves County/Roswell PD/DPS (JPA)	\$0	Officer involved incident investigations	3/24/09	Indefinite
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	Indefinite
Dona Ana County/Las Cruces Police/NMSU Police (JPA)	\$0	Officer-involved incident investigations	10/14/09	Indefinite
Energy Minerals & Nat Rscs/DPS (JPA)	\$0	Monitoring of shipments to WIPP	5/12/08	Indefinite
Luna County (JPA)	\$0	Authorize Luna County Regional Dispatch Auth to use NM SP CAD	8/15/12	Upon notice
McKinley County/Gallup PD/DPS (JPA)	\$0	Officer involved incident investigations	3/24/09	Indefinite
Mesilla Valley Dispatch Auth (JPA)	\$0	E911 Service to Dona Ana County	4/19/06	Indefinite
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 (JPA)	\$0	Officer-involved incident investigations	8/27/09	Indefinite
Santa Fe County (JPA)	\$0	E911 equipment usage Emergency Comm center	11/17/09	Indefinite
San Juan Criminal Just Trng Auth (JPA)	\$0	Participation in joint training facility	12/20/10	Indefinite
Sierra County (JPA)	\$0	Authorize County Regional Dispatch Authority to use NM State Police CAD	3/20/12	3/19/16
State Fair Commission (JPA)	\$130,000	2012 NM State Fair law enforcement coverage	7/16/12	2/28/13
US Dept of Interior (Brantley)/DPS (JPA)	\$20,000 (revenue per yr)	Law enforcement, emergency medical assistance and security at selected areas of Brantley	6/9/08	9/30/12
UNM/NMSP/MTPD (JPA)	\$60.00/hr (revenue)	Law enforcement JPA for special events	8/8/11	6/30/13
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)	\$22,909	Lease of Office Space	7/1/10	Upon notice
Village of Wagon Mound (JPA)	\$0	Law Enforcement Services	7/26/10	6/30/15



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

Year Ended June 30, 2013

Contractor	FY13 Dollar Amt	Description of Services	Effective Date	End Date
49th Security Forces Squadron (49 SFS)/Holloman AFB (MOU)	\$0	Law enforcement support for 49th Security (49 SFS) at Holloman AFB	3/15/11	3/14/14
49th Security Forces Squadron (49 SFS)/Holloman AFB/Otero County Sheriff/Alamogordo DPS (MOU)	\$0	Document to outline procedure when NMSP (or Otero County etc.) asks 49th Security (49 SFS) for Emergency Military Working Dog Detection (MWDD) support for explosive detection	7/31/12	7/30/15
Admin Office of Courts (MOU)	\$150,000 (revenue)	Warrant Round-Ups	7/1/12	6/30/13
Admin Office of Courts (MOU) Amendment One	no change	Change in reimbursement criteria to Warrant Round-ups MOU	11/30/12	6/30/13
Admin Office of the Courts (MOU)	\$8,000	DPS participation in SF County Magistrate DWI/Drug Court program	7/1/12	6/30/13
Administrative Office of Courts (AOC)/Judicial Info Division (JID) (MOU)	\$8,000	Operating Transfer of \$8K for Authentication software update to existing multi-discipline criminal justice database	6/5/13	Upon transfer
Air Force Rescue Coordination Center (AFRCC) (MOU)	\$0	To delineate op procedures pursuant to the SAR Agreement MOA betw NM and Inland SAR Coordinator	9/5/12	Upon notice
SAR Coordinator for Inland Region in support of Natl Search & Rescue Plan (MOA) (in coordination w/above MOU AFRCC)	\$0	To ensure effective use of all available facilities for Search & Rescue (SAR), incorporate SAR agencies of NM into the basic SAR network and to provide an avenue for further agrmnts betw Air Force Rescue Coordination Center (AFRCC) and NM	9/5/12	Upon notice
Albuquerque Police Dept (MOU)	\$0	Use of Abq PD Firing Range	4/7/10	Indefinite
A.S. Horner Inc. (MOU)	\$145,000	Traffic control I-10/I-25 Construction Project	7/9/12	4/30/13
AUI Inc (MOU)	\$10,000 (revenue)	Traffic enforcement on State Road 599/Junction SF County Rd 62/construction project	9/6/12	12/21/13
AUI Inc (MOU)	\$15,000 (revenue)	Traffic enforcement US 84/285 MP 182.495	12/10/12	9/1/13
AUI Inc (MOU)	\$15,000 (revenue)	Traffic Enforcement I 40 EB and/or WB Bernalillo County (Rio Puerco)	5/10/13	9/1/13
CO Dept of Revenue (MOU)	\$0	Enforcement and tax collection process defined betw NM MTPD and CO Dept of Revenue	7/19/10	6/30/14
Confidential Protection Svcs (MOU)	\$50,000 revenue	State Police law enforcement at US Govt audit sites	2/6/13	Upon notice
Defense Courier Station CO Springs NMSP (MOA)	\$0	Procedure for NMSP contact w/Defense Courier shipments in NM	10/24/12	10/23/14
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	Indefinite
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
Drivewyze (MOU)	\$0	Operation Field Tests of Drivewyze technology/Commercial vehicle bypass program/MTPD	9/6/12	Upon notice
El Terroro Construction (MOU)	\$10,000 (revenue)	Traffic Enforcement I-25/St Francis Dr, Santa Fe	9/28/12	12/21/13
Emmert International (MOU)	\$50,000 (revenue)	Oversize loads police escort-traffic enforcement MTPD	10/12/12	6/30/13
Empire Transport (MOU)	\$10,000 (revenue)	Traffic Enforcement/Oversize Escort	1/16/13	12/31/13
FBI (MOU)	OT Reimbursement	So. NM Gang Task Force	2/19/10	Indefinite

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

Year Ended June 30, 2013

Contractor	FY13 Dollar Amt	Description of Services	Effective Date	End Date
FBI (MOU)	Cost reimbursement	Joint Terrorism Task Force	7/26/05	Indefinite
FBI (MOU)	\$0	Understanding re transmitting, receiving, and storage of info in NCIC system	4/11/08	Indefinite
FBI (MOU)	\$0	Safe Streets Violent Gang Task Force (SSVGTF)	6/26/13	Upon Notice
FBI (MOU)	\$0	Participation in Regional Computer Forensics Lab (RCFL)	12/15/09	Upon Notice
Hound Dog Events LLC (MOU)	\$4,250.00	Law enforcement/Traffic Control Cycling Event Angel Fire	3/28/13	7/1/13
Immigration & Customs Enforcement (ICE) (MOU)	\$16,500/officer/year	Procedure/terms for reimbursement from ICE of costs incurred by DPS in providing resources to joint	2/17/10	Indefinite
Judicial Education Ctr/UNM (MOU)	\$3,000 (revenue)	Law Enforcement at judicial education conferences	4/29/13	5/3/13
Las Cruces Police Dept, Special Response Team (SWAT) (MOU)	\$0	Mutual law enforcement assistance at special situations	7/5/11	Upon Notice
Los Alamos Site Office-Natl Nuclear Security Admin-DOE-LA County Police (MOU)	\$0	Cooperative agreement re procedures for off-site pursuit/recovery of missing Special Nuclear Materials (SNM)	1/17/13	5 yrs from signature
NM Natl Guard (MOU)	\$0	Natl Guard use of DPS Range Complex	2/10/12	6/30/15
NM State Fair Comm (MOU)	\$38.00/hr (revenue)	Provide assistance & security at State Fairground events (other than the State Fair)	6/30/08	Indefinite
NM Gang Task Force (MOU)	\$0	Participation in NM Gang Task Force	2/17/11	2/17/14
Operation Stonegarden/Dona Ana County (MOU)	\$100,000 (revenue)	Support of US Border Patrol and Customs Protection	12/17/12	8/31/14
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 NMSP Hidalgo County (MOU) Amendment One	\$0	Amendment One: moved allocations of money only; no other change	3/6/13	9/30/13
Operation Stonegarden Luna County (MOU)	\$115,976 (revenue)	Border Safety	7/6/11	9/30/12
Property Control Division (PCD) (MOU)	\$116,000	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 2012 fireworks	6/12/12	7/5/12
San Felipe Casino Hollywood (MOU)	\$3,000 (revenue)	Traffic Control/Security at July 3, 2013, fireworks	5/28/13	7/5/13
US Army Corps of Engineers (MOU)	\$0	Interagency Radio Frequency Use	8/13/12	Not indicated
US Army Garrison (WSMR)/DPS (MOU)	\$0	Define and delineate responsibilities betw US Army White Sands and NMSPD	7/17/09	Indefinite
US Dept of Homeland Security (MOU)	\$0	Agreement to Input DPS frequencies into US Border Patrol El Paso Sector Land Mobile Radio System	6/28/13	6/27/18
USDA Forest Svc - Gila Natl Forest (MOU)	\$0	Define relationship re search & rescue efforts within and near Gila	6/10/10	12/31/18
US Dept of Justice (MOU)	\$0	MTD (one officer) Participation in OCDETF Strike Force/to dismantle major drug and firearms trafficking and money laundering ops	3/2/11	Indefinite
USDA Forest Svc/Cibola Natl Forest (MOU)	\$0	Search and Rescue Missions	4/5/12	5/31/15

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

Year Ended June 30, 2013

Contractor	FY13 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 4	5/2/12	4/30/13
BLM - NM (Federal Contract) L13PX00458	\$5,700 (revenue)	Law Enforcement Pilar/Orilla Verde Recreation/John Dunn Bridge/Wild Rivers Recreation/	5/1/13	4/30/14
CYFD (Agreement)	\$100,000 (revenue)	Reduce access to and use of alcohol in youth (SID project)	10/13/11	8/31/12
CYFD (Agreement)	\$35,000 (revenue)	Underage Drinking Prevention Project	1/1/13	5/31/13
DEA/HIDTA Task Force Abq NMSP Agreement	\$17,202/officer	Participation in Drug Enforcement Task Force in Abq	10/1/12	9/30/13
DEA/DPS-NMSP HIDTA Task Force Cruces Agreement	\$17,202/officer	Participate in Task Force operations/Drug Trafficking prevention	10/1/12	9/30/13
DEA/DPS-MTPD HIDTA Task Force Cruces Agreement	\$17,202/officer	Participate in Task Force operations/Drug Trafficking prevention	10/1/12	9/30/13
Dept of Transportation/MTD (MOA)	\$0	Define responsibilities of the parties as related to the POE Smart Roadside Info System	6/23/09	Indefinite
DHS/DNDO (Domestic Nuclear Detection Office) (Coop Agreement and MOA)	\$0	Federal/Agreement and MOA covering supply/trng/use of rad detection equipment to MTD and NMSP	CRADA: 3/15/11; MOA: 4/4/11	MOA: Indefinite CRADA: 1 year from date of DNDO signature
DHS/DNDO (Dept of Homeland Security/Domestic Nuclear Detection Office)(CRADA Coop R&D Agreement 12-DNDO-001)	\$0	Install/Train ASP Advanced Spectroscopic Portal/Evaluation Program for one year then instrument ownership transfers to MTPD	7/19/12	7/18/13
EDAC Earth Data Analysis Center (IT Inter Govt)	\$57,000	Assist DPS with Geospatial Information Technology (GIT) services providing data information updates, integration with CAD, mapping services and applications	5/14/13	6/30/17
Human Svcs Dept (Govt Svcs)	\$80,748	Compliance and Enforcement Checks re Tobacco Product Act and Sales to Youth	12/3/12	6/30/13
Human Svcs Dept (Govt Svcs Agreement)	\$1,035,011 over five years	Tobacco Enforcement	12/30/11	9/30/14
LexisNexis (Agreement)	\$0	eCrash Electronic Police Record Portal Services	2/3/12	2/2/15
LexisNexis (Agreement) Amendment One	\$8.00/report	eCrash Electronic Police Record Portal Services	7/2/12	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
Navajo Nation (Agreement)	\$0	Cross commissioning of officers	8/30/12	8/29/17
NM Sentencing Commission (Inter Govt)	\$42,284	DPS Staffing Study	3/26/12	9/30/12
NM Sentencing Commission, Amend One (Inter Govt)	\$0	DPS Staffing Study	3/26/12	10/31/12
NM School for the Deaf/James Little Theatre (Rental Agreement)	\$500	Rental of James Little Theatre for NMSP graduation Dec 20-Dec 21, 2012	10/26/12	12/21/12
Sandoval County (Inter Govt)	\$0	Authorize county to use State Police Car to Car and LEN Radio Frequency	6/30/11	6/29/15
San Miguel County (Inter Govt)	\$30,000 (revenue)	Participation in DPS Comm Center	7/12/11	4 years from date of sig
Socorro County (Inter Govt Svcs)	\$30,000 (revenue)	Participation in DPS Comm Center	2/26/13	2/25/17
TRD/DPS-MTPD (Intra Govt)	\$3,260,000 over 5 yrs	Funding for temp employees and License Plate	10/20/10	6/30/15
TRD/DPS-MTPD Amend 1 to Oct 2010 agreement (Intra Govt)	\$385,927	Transfer/add funds to Oct 2010 agreement	1/3/12	6/30/15
TRD (Intra Govt) Amendment 2	\$730,000	Amendment 2 to October 2010 agreement; indicating use of funds transferred in Jan 2011	1/18/13	6/30/15
UNM/Inst for Social Research (Inter Govt)	\$70,206	JAG Evaluator	4/4/12	7/3/13
UNM Medical Director Svcs (Inter Govt)	\$24,000	Medical Director Svcs	7/1/12	6/30/13
USDA Forest Svc Santa Fe & Carson Natl Forest/ Law Enforcement Ops Plan 12-LE-11030200-001	\$17,000	Patrols of Santa Fe and Carson Natl Forest	10/1/11	9/30/12
USDA Forest Svc Santa Fe & Carson Natl Forest/Master Agreement 12-LE-11030200-001	\$17,000/year (estimated)	Master Agreement governing patrols of Santa Fe & Carson Natl Forests	2/7/12	9/30/17
USDA Forest Svc Annual Op Plan 12-LE-11030200-001	\$52,034	Forest Patrols (SF/Carson/Gila/Cibola/Lincoln)	1/3/13	9/30/13
USDQJ-DEA Task Force Agreement, SWNML0254H	\$5,000	Organized Crime Drug Enforcement Task Force (OCDEF)/MTPD participation of two officers	3/1/12	3/31/12
Washington State DOT (Inter Agency Agreement)	\$25,000	CVIEW Support Agreement	9/27/12	6/30/13
Western New Mexico University (Prof Svcs Agreement)	\$4,800 (Revenue)	Driving course to be given by DPS Training Div to WNMU Police Academy students	2/14/13	6/30/13

State of New Mexico  
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY GRANT**

For the Year Ended June 30, 2013

<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>
<b>Highway Safety Cluster-Cluster</b>			
Department of Transportation Direct Programs			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		\$ 593,112
Incentive Grants I			
Not Specified	20.xxx		39,509
Safety Belt Performance Grants	20.609		<u>9,473</u>
			<u>642,094</u>
<b>Total Highway Safety Cluster-Cluster</b>			
<b>JAG Program Cluster-Cluster</b>			
United States Department of Justice Direct Programs			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	See Note B	2,563,299
ARRA-Recovery Act - Edward Byrne Memorial	16.803	See Note B	<u>35,137</u>
			<u>2,598,436</u>
<b>Total JAG Program Cluster-Cluster</b>			
<b>Other Programs</b>			
Default Agency Direct Programs			
High Intensity Drug Trafficking Areas Program	95.001		<u>803,511</u>
Total Default Agency			803,511
Department of Homeland Security Direct Programs			
Homeland Security Grant Program	97.067		37,277
NM State Police Immigration & Customs Enforcement	97.XXX		<u>311,526</u>
Total Department of Homeland Security Direct Programs			348,803
Department of Energy Direct Programs			
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106		<u>384,573</u>
Total Department of Energy			384,573
Department of the Interior Direct Programs			
Brantley Project	15.515		<u>5,679</u>
Total Department of the Interior			5,679

State of New Mexico  
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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS BY GRANT – CONTINUED**

For the Year Ended June 30, 2013

<i><b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b></i>	<i><b>Federal CFDA Number</b></i>	<i><b>Pass-Through Entity Identifying Number</b></i>	<i><b>Federal Expenditures (\$)</b></i>
Department of Energy Direct Programs			
United States Department of Justice Direct Programs			
Bulletproof Vest Partnership Program	16.607	See Note B	12,525
Edward Byrne Memorial State and Local Law	16.580		94,000
Enforcing Underage Drinking Laws Program	16.727		25,266
Forensic DNA Backlog Reduction Program	16.741	See Note B	859,118
Law Enforcement Assistance - FBI Crime Laboratory Support	16.301		14,628
National Criminal History Improvement Program (NCHIP)	16.554	See Note B	146,682
Office of National Drug Control Policy	16.XXX		41,971
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	See Note B	140,204
Project Safe Neighborhoods	16.609	See Note B	15,781
Public Safety Partnership and Community Policing Grants	16.710	See Note B	275,106
Residential Substance Abuse Treatment for State Prisoners	16.593		147,666
Support for Adam Walsh Act Implementation Grant Program	16.750	See Note B	393,286
Violence Against Women Formula Grants	16.588		11,025
<i>Total United States Department of Justice Direct</i>			<u>2,177,258</u>
Department of Transportation Direct Programs			
Border Enforcement Grants	20.233		866,251
Commercial Vehicle Information Systems and Networks	20.237		274,614
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608		344,697
National Motor Carrier Safety	20.218		1,739,343
Safety Data Improvement Program	20.234		3,047
<i>Total Department of Transportation Direct Programs</i>			<u>3,227,952</u>
United States Department of Agriculture Direct Programs			
Carson National Forest Operation	10.XXX		31,128
<i>Total United States Department of Agriculture</i>			<u>31,128</u>
Various Agencies - 1 Direct Programs			
NM DOH Special Investigation	93.XXX		19,082
<i>Total Various Agencies - 1 Direct Programs</i>			<u>19,082</u>
 <b><i>Total Other Programs</i></b>			 <u>6,997,986</u>
 <b><i>Total Expenditures of Federal Awards</i></b>			 <u><u>\$ 10,238,516</u></u>

State of New Mexico  
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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2013

**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:

Name	Year	Sub-Recipient Fiscal Agency	Program Name	Federal #	GMB #	Amount of Grant
JAG (CFDA 16.738)	2009	DPS GMB	GMB Admin Costs	2009-CK-WX-0384	DPSCOPS09ADMIN	\$60,000
	2008	DPS GMB	GMB Admin Costs	2008-DJ-BX-0021	DPSJAG08ADMIN	\$91,156
	2009	DPS GMB	GMB Admin Costs	2009-DJ-BX-0048	DPSJAG09ADMIN	\$287,626
	2009	NMDPS	Explosives Breaching	2009-DJ-BX-0048	DPSJAG09EXBR	\$10,000
	2009	Bernalillo County	SWIFT Fugitive Task Force	2009-DJ-BX-0048	DPSJAG12SW-4	\$23,126
	2010	DPS GMB	GMB Admin Costs	2010-DJ-BX-0021	DPSJAG10ADMIN	\$277,211
	2010	2nd Judicial District Attorney	2nd Judicial District Attorney	2010-DJ-BX-0021	DPSJAG102DA	\$127,100
	2010	University of New Mexico	UNM-HSR UCR Project	2010-DJ-BX-0021	DPSJAG12UNM-3	\$36,824
	2010	NMDPS	Hazardous Devices Training	2010-DJ-BX-0021	DPSHAZDEV13SP	\$5,200
	2010	NMDPS	District 1 Training Initiative	2010-DJ-BX-0021	DPSJAG10D1TRD	\$5,000
	2010	City of Las Vegas	Region IV Drug Task Force	2010-DJ-BX-0021	DPSJAG12RG4-3	\$22,284
	2010	Bernalillo County	SWIFT Fugitive Task Force	2010-DJ-BX-0021	DPSJAG12SW-3	\$74,815
	2011	DPS GMB	GMB Admin Costs	2011-DJ-BX-2431	DPSJAG11ADMIN	\$229,973
	2011	NMDPS	NMSP Investigations Bureau	2011-DJ-BX-2431	DPSJAG11NMSP	\$789,156
	2011	University of NM	UNM Evaluation	2011-DJ-BX-2431	DPSJAG11EVAL	\$80,000
	2011	District Attorneys	AODA Project	2011-DJ-BX-2431	DPSJAG12DA-2	\$40,000
	2011	NMDPS	Bomb Team Training	2011-DJ-BX-2431	DPSJAG11BOMSP	\$38,000
	2011	DPS - IT Division	CAD Mapping Project	2011-DJ-BX-2431	DPSJAG11CAD	\$60,000
	2011	Eddy County	Region VI Drug Task Force	2011-DJ-BX-2431	DPSJAG11REGVI	\$117,124
	2011	City of Albuquerque	Region I Drug Task Force	2011-DJ-BX-2431	DPSJAG12RG1-2	\$93,825
	2011	City of Las Vegas	Region IV Drug Task Force	2011-DJ-BX-2431	DPSJAG12RG4-2	\$52,230
	2011	Town of Silver City	Region VII Drug Task Force	2011-DJ-BX-2431	DPSJAG12RG7-2	\$130,206
	2012	DPS GMB	GMB Admin Costs	2012-DJ-BX-0503	DPSJAG12ADMIN	\$179,566
	2012	DPS GMB	GMB Admin Costs	2012-DJ-BX-0503	DPSJAG12WCAD	\$6,700
	2012	NMDPS	NMSP Investigations Bureau	2012-DJ-BX-0503	DPSJAG12NMSP	\$794,636
	2012	City of Farmington	Region II Drug Task Force	2012-DJ-BX-0503	DPSJAG12REG2-1	\$160,030
	2012	Santa Fe County	Region III Drug Task Force	2012-DJ-BX-0503	DPSJAG12RG3-1	\$202,500
	2012	City of Clovis	Region V Drug Task Force	2012-DJ-BX-0503	DPSJAG12RG5-1	\$186,572
	2012	City of Rio Rancho	NM Gang Task Force	2012-DJ-BX-0503	DPSJAG12GTF-1	\$232,485
	2012	City of Belen	Belen Police Dept.	2012-DJ-BX-0503	DPSJAG12BELEN	\$6,274
	2012	City of Bloomfield	Bloomfield Police Dept.	2012-DJ-BX-0503	DPSJAG12BLOOM	\$6,029
	2012	City of Grants	Grants Police Dept.	2012-DJ-BX-0503	DPSJAG12GRANT	\$7,130
	2012	Village of Ruidoso	Ruidoso Police Dept.	2012-DJ-BX-0503	DPSJAG12RUIDO	\$2,295
	2012	City of Tularosa	Tularosa Police Dept.	2012-DJ-BX-0503	DPSJAG12TULAR	\$1,334
	2012	Valencia County	Valencia County Sheriff's Office	2012-DJ-BX-0503	DPSJAG12VALEN	\$9,854
	2012	City of Clovis	Clovis Police Dept.	2012-DJ-BX-0503	DPSJAG12WCCLO	\$9,951
	2012	City of Las Vegas	Las Vegas Police Dept.	2012-DJ-BX-0503	DPSJAG12WCLV	\$2,685
	2012	Valencia County	Valencia County Sheriff's Office	2012-DJ-BX-0503	DPSJAG12WCVAL	\$8,500
	2012	City of Portales	Portales Police Department	2012-DJ-BX-0503	DPSJAG12WCPOR	\$14,518
	2012	Town of Taos	Taos Police Department	2012-DJ-BX-0503	DPSJAG12WCTAO	\$13,300
2012	DPS - Records Bureau	SORNA Implementation	2021-DS-BX-0002	DPSSORNA12	\$104,677	

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**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED**

For the Year Ended June 30, 2013

**NOTE B – SUB RECIPIENTS BY FEDERAL GRANTOR – CONTINUED**

Project/Activities Active During FY13						
Name	Year	Sub-Recipient Fiscal Agency	Program Name	Federal #	GMB #	Amount of Grant
Waste Isolation Pilot Plant Project (CFDA 81.106)	2013	DPS - Motor Transportation	Motor Transportation Police	DE-FC29-88AL53813-FY13	DPSWIPP13MTP	\$281,177
	2013	DPS - Motor Transportation	Motor Transportation Police	DE-FC29-88AL53813-FY13	DPSMTWIPPOT13	\$38,000
	2013	NMDPS	NM State Police	DE-FC29-88AL53813-FY13	DPSWIPP13NMSP	\$162,195
	2013	DPS - GMB	Indirect Costs	DE-FC29-88AL53813-FY13	DPSWIPP13IDC	\$63,178
COPS (CFDA)	2009	NMDPS	NMSP Meth Initiative	2009-CK-WX-0384	DPS09COPSMETH	\$840,000
	2009	DPS GMB	GMB Admin Costs	2009-CK-WX-0384	DPSOCOPS09ADMIN	\$60,000
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	DPS GMB	GMB Admin Costs	2011-RU-BX-K078	DPSNCHIP11ADMIN	\$3,567
	2011	DPS GMB	GMB Admin Costs	2011-RU-BX-K078	DPSADM11NCHIP	\$20,903
	2011	DPS - Law Enforcement Records	Law Enforcement Records	2011-RU-BX-K078	DPSNCHI11RB1	\$256,185
DNA Post-Conviction (CFDA 16.741)	2010	DPS GMB	GMB Admin Costs	2010-DN-BX-0034	DPSDNA10BKLOGAD	\$12,204
	2010	NMDPS	Forensic Laboratory Bureau	2010-DN-BX-0034	DPSDNA10BKLG1	\$398,526
	2011	DPS GMB	GMB Admin Costs	2011-DN-BX-K464	DPSDNABKLG11ADM	\$14,785
	2011	DPS GMB	GMB Admin Costs	2011-DN-BX-K464	DPSDNABKLG11A	\$9,475
	2011	NMDPS	Forensic Laboratory Bureau	2011-DN-BX-K464	DPSDNABL11CL1	\$321,824
	2011	City of Albuquerque	Albuquerque Police Department	2011-DN-BX-K464	DPSDNABKLG11APD	\$385,175
	2011	City of Albuquerque	NM DNA ID System	2011-DN-BX-K464	DPSDNABKLG11DIS	\$63,422
	2012	DPS GMB	GMB Admin Costs	2012-DN-BX-0058	DPSDNABK12ADM	\$21,068
	2012	NMDPS	Forensic Laboratory Bureau	2012-DN-BX-0058	DPSDNABK12CL	\$177,474
	2012	NMDPS	Forensic Laboratory Bureau	2012-DN-BX-0058	DPSDNABK12OT	\$28,200
	2012	City of Albuquerque	Albuquerque Police Department	2012-DN-BX-0058	DPSDNABK12APD	\$332,648
2012	City of Albuquerque	NM DNA ID System	2012-DN-BX-0058	DPSDNABK12DIS	\$50,069	
PSN (CFDA 16.609)	2010	Nancy Sanchez	Nancy Sanchez	2010-GP-BX-0006	DPSPSN10NSAN	\$874
	2011	City of Rio Rancho	NM Gang Task Force	2011-GP-BX-0012	DPSPSN11NMGTG	\$20,589
	2011	Nancy Sanchez	Nancy Sanchez	2011-GP-BX-0012	DPSPSN11NSAN	\$2,001
	2010	NM Dept of Corrections	Therapeutic Community Program	2010-RT-BX-0034	DPSRSAT10NMCD	\$194,433
	2010	DPS GMB	GMB Admin Costs	2010-RT-BX-0034	DPSADM10RSAT	\$21,603
High Intensity Drug Trafficking Area Program (CFDA 95.001)	2011	NMDPS	NM Investigative Support Center	G11SN0005A	DPS11HDTAISC	\$28,648
	2011	DPS - Motor Transportation	Motor Transportation Police	G11SN0005A	DPSHDTA11MTP	\$84,960
	2011	NMDPS	NM State Police	G11SN0005A	DPS11HDTASP	\$262,771
	2011	NMDPS	Forensic Laboratory Bureau	G11SN0005A	DPS11HDTASCL	\$98,589
	2011	NMDPS	Forensic Laboratory Bureau	G11SN0005A	DPS11HDTSCL1	\$60,314
	2012	NMDPS	NM State Police	G12SN0005A	DPSHDTA12ISC	\$63,500
	2012	DPS - Motor Transportation	Motor Transportation Police	G12SN0005A	DPSHDTA12MTP	\$106,200
	2012	NMDPS	NM State Police	G12SN0005A	DPSHDTA12SP	\$201,531
2012	NMDPS	Forensic Laboratory Bureau	G12SN0005A	DPSHDTA12SFL	\$243,313	

State of New Mexico  
Department of Public Safety

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED**

For the Year Ended June 30, 2013

**NOTE B – SUB RECIPIENTS BY FEDERAL GRANTOR – CONTINUED**

Project/Activities Active During FY13						
Name	Year	Sub-Recipient Fiscal Agency	Program Name	Federal #	GMB #	Amount of Grant
Paul Coverdell (CFDA 16.742)	2010	DPS GMB	GMB Admin Costs	2010-CD-BX-0053	DPSPC10ADMIN	\$29,093
	2010	NMDPS	Forensic Laboratory Bureau	2010-CD-BX-0053	DPSPC10CRILB1	\$89,398
	2010	University of NM	Office of the Medical Investigator	2010-CD-BX-0053	DPSPC10OMI	\$189,768
	2011	DPS GMB	GMB Admin Costs	2011-CD-BX-0021	DPSPC11ADMIN	\$16,610
	2011	NMDPS	Forensic Laboratory Bureau	2011-CD-BX-0021	DPSPC11CRILB1	\$43,801
	2011	City of Albuquerque	Albuquerque Police Department	2011-CD-BX-0021	DPSPC11APD	\$20,000
	2012	DPS GMB	GMB Admin Costs	2012-CD-BX-0036	DPSPC12ADMIN	\$6,352
	2012	NMDPS	Forensic Laboratory Bureau	2012-CD-BX-0036	DPSPC12CL	\$30,000
	2012	City of Albuquerque	Albuquerque Police Department	2012-CD-BX-0036	DPSPC12APD	\$10,000
	2012	NM Dept of Health	NM State Laboratory Division	2012-CD-BX-0036	DPSPC12SLD	\$17,165
DNA Backlog (CFDA 16.741)	2009	DPS - Administrative Services	Time and Labor Project	2009-SU-B9-0022	AD900306	\$50,000
	2009	DPS - GMB	GMB Admin Costs	2009-SU-B9-0022	AD900301	\$446,225
Bulletproof Vest Partnership Program (CFDA 16.607)	2010	NM Dept of Corrections	NMCD BVP	2010-BOBX-1005114	DPSBVP10NMDC	\$49,387
	2010	NM Livestock Board	NMLB BVP	2010-BOBX-1005114	DPSBVP10NMLB	\$4,018
	2010	NM State University	NMSU BVP	2010-BOBX-1005114	DPSBVP10NMSUP	\$2,394
DNA Post Conviction Grant (CFDA 16.820)	2009	DPS GMB	GMB Admin Costs	2009-DY-BX-K246	DPS09DNAPOSTA	\$36,965
	2009	DPS GMB	GMB Admin Costs	2009-DY-BX-K246	DPS09DNAPOSTAD	\$51,715
	2009	University of NM	UNM Innocence Project	2009-DY-BX-K246	DPS09DNAPOSTFLW	\$825,968
	2009	NMDPS	Forensic Laboratory Bureau	2009-DY-BX-K246	DPS09DNAPTCL1	\$10,000
MCSAP Border Enforcement Grant (CFDA 20.233)	2011	DPS - Motor Transportation	Motor Transportation Police	FM-BEG-0012-11-01-00	DPSMTDBE11351	\$570,649
	2012	DPS - Motor Transportation	Motor Transportation Police	FM-BEG-0015-12-01-00	DPSMTDBE12351	\$1,128,861
	2013	DPS - Motor Transportation	Motor Transportation Police	FM-BEG-0038-13-01-00	DPSMTDBE13351	\$415,839
MCSAP Commercial Vehicle Info Systems and Networks (CFDA 20.237)	2007	DPS - Motor Transportation	Motor Transportation Police	IT073501G00000	DPSIT73501MTD	\$595,960
	2011	DPS - Motor Transportation	Motor Transportation Police	FM-CVN-0013-11-01-01	DPSECVISN12MT	\$1,000,000
	2012	DPS - Motor Transportation	Motor Transportation Police	FM-CVN-0033-12-01-00	DPSMTP13ECVIS	\$1,000,000
MCSAP New Entrant Program (CFDA 20.218)	2011	DPS - Motor Transportation	Motor Transportation Police	FM-MCG-0019-11-01-00	DPSMCSAP11BAS	\$1,918,561
	2012	DPS - Motor Transportation	Motor Transportation Police	FM-MCG-0092-12-01-00	DPSMCSAP12BAS	\$1,891,269
	2012	DPS - Motor Transportation	Motor Transportation Police	FM-MCG-0092-12-01-00	DPSMCSAP12BOT	\$20,000
	2011	DPS - Motor Transportation	Motor Transportation Police	FM-MNE-0035-11-01-00	DPSMTP11NEWEN	\$317,997
	2012	DPS - Motor Transportation	Motor Transportation Police	FM-MNE-0092-12-01-00	DPSMTP12NEWEN	\$302,167
MCSAP Safety Data Improvement Program (CFDA 20.234)	2010	DPS - Motor Transportation	Motor Transportation Police	SD103501000000	DPSMTDSD10351	\$82,755
	2012	DPS - Motor Transportation	Motor Transportation Police	FM-SAD-0018-12-01-00	DPSMTPSD12351	\$102,640





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**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, in accordance with the 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, the financial statements of the governmental activities, each major fund, 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 (the Department), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and have issued our report thereon dated December 3, 2013. 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 supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

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

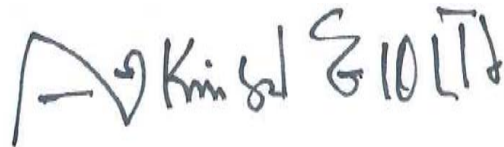
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink, appearing to read "Atkinson & Co., Ltd.", with a stylized logo to the left consisting of a large 'A' and a checkmark-like shape.

**Atkinson & Co., Ltd.**

Albuquerque, New Mexico  
December 3, 2013



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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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

### **Report on Compliance for Each Major Federal Program**

We have audited the State of New Mexico Department of Public Safety's (the Department) compliance with the types of compliance requirements described in the *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, 2013. The Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Department's major federal programs based on our audits of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Department's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Department complied, in all material respects, with the types of 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, 2013.

### **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance in accordance with OMB Circular A-133.

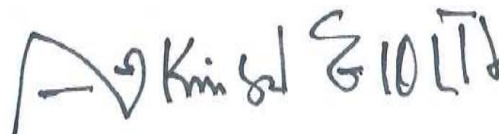
### **Report on Internal Control Over Compliance**

Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Department's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink, appearing to read "Atkinson & Co., Ltd.", with a stylized flourish on the left side.

**Atkinson & Co., Ltd.**

Albuquerque, New Mexico  
December 3, 2013

State of New Mexico  
Department of Public Safety

**SUMMARY OF AUDIT FINDINGS**

Year ended June 30, 2013

<b>Prior Year Findings Description</b>	<b>Status</b>
<i>Findings – Financial Statement Audit</i>	
None	
<i>Federal Award Findings and Questioned Costs</i>	
12-01 Procurement, Suspension and Debarment	Resolved
12-02 Sub-recipient Monitoring	Resolved
<b>Current Year Findings Description</b>	
<i>Findings – Financial Statement Audit</i>	
None	
<i>Findings in Accordance with 2.2.2 NMAC (State Audit Rule)</i>	
None	
<i>Federal Award Findings and Questioned Costs</i>	
None	

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended June 30, 2013

**A. SUMMARY OF AUDIT RESULTS**

***Financial Statements***

Type of auditors' report issued

Unmodified

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:

Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with Section 510(a)  
of Circular A-133?

Yes     No

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED**

Year ended June 30, 2013

**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
95.001	HIDTA – High Intensity Drug Trafficking Area
20.601/20.609/20.777	Department of Transportation – Direct Programs
81.106	Transportation of Waste to WIPP
97.xxx	NMSP Immigration and Customs Enforcement
16.750	Support for Adam Walsh Act Implementation Program

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

\$ 307,156

Auditee qualified as low-risk auditee?

X  Yes      No

State of New Mexico  
Department of Public Safety

**EXIT CONFERENCE**

Year ended June 30, 2013

An exit conference was held on November 21, 2013. Attending were the following:

**Representing the Department of Public Safety:**

Gorden E. Eden Jr.  
Patrick Mooney

Kathy Griego  
Dianna DeJarnette  
Stacy Lopez  
Tony Flores  
Peter Gonzales  
Tony Lynn  
Louise Riebe  
Ron Burton

Cabinet Secretary  
Deputy Secretary, Statewide Law  
Enforcement Support Program  
CFO, ASD Director  
ASD Deputy Director  
Finance Bureau Chief  
Grants Management Bureau Chief  
Grants Management Analyst  
Director of Policy Coordination  
Senior Financial Analyst  
CIO

**Representing Atkinson & Co., Ltd.:**

Marty Mathisen, CPA, CGFM  
Clarke Cagle, CPA, CCIFP, CGFM  
Brett Bauer, CPA

Audit Director  
Audit Director  
Audit Senior

The financial statements were prepared with the assistance of Atkinson & Co., Ltd. The Department is responsible for their content.



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