



NEW MEXICO DEPARTMENT OF PUBLIC SAFETY



FINANCIAL STATEMENTS & OTHER
FINANCIAL INFORMATION

*WITH REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS*

Year Ended June 30, 2016



State of New Mexico Department of Public Safety

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**State of New Mexico Department of Public Safety
Official Roster**

Year Ended June 30, 2016

Name	Title
Scott Weaver	Cabinet Secretary
Pete N. Kassetas	Deputy Secretary - Law Enforcement Program/NMSP Chief
Amy Orlando	Deputy Secretary, Statewide Law Enforcement Support Program, Administrative Services Division (ASD)

Division Directors

David Martinez	Deputy Chief, Special Investigations & Special Operations Bureau, NMSP Division
Jimmy Glascock	Deputy Chief, Commercial Vehicle Enforcement Bureau, NMSP Division
Adrian Armijo	Deputy Chief, Uniform & Training Bureaus, NMSP Division
Stephan Marshall	Training and Recruiting Division
Melvin Lee	Information Technology Division
Dianna DeJarnette	Deputy ASD Director

Chief Finance Officer

Bridgette Long	Chief Finance Officer/Finance Division
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Mr. Scott Weaver, Cabinet Secretary
State of New Mexico
Department of Public Safety
and
Mr. Timothy Keller
New Mexico State Auditor
Santa Fe, New Mexico

Report on 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, 2016, 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, and the budgetary comparisons of the non-major funds, presented as supplementary information, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, 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.

Auditors' 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 auditors' 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.

Opinion

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, 2016, and the respective changes in financial position and budgetary comparisons for the general fund and the major special revenue funds for the year then ended in accordance 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 of the Department as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparisons for the non-major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Reporting Entity

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, each major fund, the budgetary comparison statements 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, 2016, and the changes in its financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion was not modified with respect to this matter.

Net Pension Liability Disclosure

As discussed in footnotes, the State of New Mexico, as a single employer, follows GASB Statement 68, *Accounting and Financial Reporting for Pensions*, in the June 30, 2016, Comprehensive Annual Financial Report (CAFR). Accordingly, there is no allocation of the proportionate share of the net pension liability to individual agencies or to the Department's governmental funds. All other required disclosures and supplementary information required by GASB 68 are included in the State of New Mexico CAFR for the year ended June 30, 2016. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 Supplementary Information

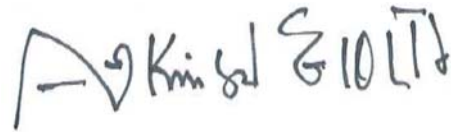
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements, the combining and individual non-major fund financial statements, and respective budgetary comparisons. The accompanying schedule of changes in fiduciary assets and liabilities – agency funds, schedule of cash, and schedule of special appropriations required by 2.2.2 NMAC and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the 2 *US Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Post Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedules of 2 *US Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Post Principles, and Audit Requirements for Federal Awards* required by 2.2.2 NMAC and 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 special appropriations, schedule of changes in fiduciary assets and liabilities - agency funds, schedule of expenditures of federal awards and the schedule of cash are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The schedule of vendor information, required by 2.2.2 NMAC, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2016, 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 black ink, appearing to read "Atkinson & Co., Ltd.", written in a cursive style.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
November 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

**State of New Mexico Department of Public Safety
Management's Discussion and Analysis
June 30, 2016**

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, 2016. 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.

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

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Department's 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 types 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.

Governmental Funds Statements, including the ***Balance Sheet*** and the ***Statement of Revenues, Expenditures, and Changes 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 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.

**State of New Mexico Department of Public Safety
Management's Discussion and Analysis
June 30, 2016**

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS – CONTINUED

Statement of Fiduciary Assets and Liabilities 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 Financial Statements** and the **Supplementary Information** sections.

FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE

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

	Current Year June 30, 2016	Prior Year June 30, 2015	Increase or (Decrease)	Percent Change
Assets				
Current assets	\$ 20,163,603	\$ 18,149,332	\$ 2,014,271	11.10%
Capital assets	16,502,355	17,813,521	(1,311,166)	-7.36%
Total Assets	<u>36,665,958</u>	<u>35,962,853</u>	<u>703,105</u>	1.96%
Liabilities				
Current liabilities	13,996,119	12,379,844	1,616,275	13.06%
Long-term liabilities	2,372,669	2,209,772	162,897	7.37%
Total Liabilities	<u>16,368,788</u>	<u>14,589,616</u>	<u>1,779,172</u>	12.19%
Net Position				
Net investment in capital assets	16,502,355	17,813,521	(1,311,166)	-7.36%
Restricted	4,028,421	3,559,716	468,705	13.17%
Unrestricted	(233,606)	-	(233,606)	-100.00%
Total Net Position	<u>\$ 20,297,170</u>	<u>\$ 21,373,237</u>	<u>\$ (1,076,067)</u>	-5.03%

**State of New Mexico Department of Public Safety
Management's Discussion and Analysis
June 30, 2016**

FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE - CONTINUED

	Current Year June 30, 2016	Prior Year June 30, 2015	Increase or (Decrease)	Percent Change
Program Revenues and Expenses				
Program revenues	\$ 16,459,648	\$ 16,276,064	\$ 183,584	1.13%
Program expenses	139,206,855	126,981,934	12,224,921	9.63%
Net Program Revenues (Expenses)	<u>(122,747,207)</u>	<u>(110,705,870)</u>	<u>(12,041,337)</u>	10.88%
General Revenues (Expenses)				
General fund appropriations	116,611,100	105,986,200	10,624,900	10.02%
Weight distance tax permit fund appropriations	1,265,600	1,265,900	(300)	-0.02%
Transfers - severance tax bonds	143,695	-	143,695	100.00%
Transfers - in from other state agencies	3,760,845	5,705,233	(1,944,388)	-34.08%
	<u>121,781,240</u>	<u>112,957,333</u>	<u>8,823,907</u>	7.81%
Gain or (loss) on disposal of capital assets	435,940	656,439	(220,499)	-33.59%
Reversions - State General Fund	(546,040)	(170,311)	(375,729)	220.61%
Change in Net Position	<u>(1,076,067)</u>	<u>2,737,591</u>	<u>(3,813,658)</u>	-139.31%
Beginning Net Position	21,373,237	18,869,252	2,503,985	13.27%
Restatement	-	(233,606)	233,606	-100.00%
Beginning Net Position as Restated	<u>21,373,237</u>	<u>18,635,646</u>	<u>2,737,591</u>	
Ending Net Position	<u><u>\$ 20,297,170</u></u>	<u><u>\$ 21,373,237</u></u>	<u><u>\$ (1,076,067)</u></u>	-5.03%

Significant factors impacting the Department's financial position and results of operations during the year ended June 30, 2016 are as follows:

Total Assets increased by \$703,105 or 1.96 percent, primarily due to an increase in law enforcement.

Total Liabilities increased by 12.19% primarily due to an increase in **Accrued Salaries and Benefits Payable** of \$1,330,987. The number of accrued work days increased from seven (7) in FY15 to nine (9) in FY16 coupled with targeted pay increases for commissioned officer, forensic scientists and dispatchers which increased the Department's salary and benefit costs.

FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE – CONTINUED

Total Net Position decreased by 5.03% due to reduction in capital assets.

The Department's **Unrestricted Net Position** derives from FY15, current management found the account Due to State General Fund was misstated. This occurred when the estimate reversion was calculated. As the 2010 audit was completed by December 15, 2010 the reversion was sent to DFA as required by September 30, 2010. The Department requested the funds back but it was after the 30 day that is allowed. The Department requested an appropriation but it was not approved. In the FY15 audit a prior year entry was made to properly reflect the over-reversion.

Net Program Activity increased by 10.88% primarily due to an increase in the General Fund special appropriations from prior years for program revenue sources.

Program Revenues increased by 1.13% primarily due to increases in general fund appropriation offset by a reduction in other program revenue sources.

Program Expenses increased by 9.63% primarily due to an increase in the Department's general fund base appropriation which included the receipt of a \$3.3 million compensation package for officers. See **General Fund Appropriations** and **Other Sources** discussions.

General Fund Appropriations increased by 10.02% excluding the FY15 compensation packages, net 6% inclusive of the compensation packages. Increased general fund was provided to hire and equip additional officers and forensic scientists as well as meet other critical operational needs. See **General Fund Appropriations** and **Other Sources** discussions.

Transfers in From Other State Agencies decreased by 34.08% primarily due to a reduction in the officer compensation package, which was included in the base general fund appropriation in FY16.

The Department recognized a \$435,940 **Gain on Disposal of Capital Assets** for an decrease of 33.59% over last year, primarily due to the sale of a New Mexico State Police airplane in FY15.

A **Restatement** was recognized in FY15 for the overpayment of General Fund reversions in a prior year; no restatements were required for FY16.

Ending Net Position decreased by 5.03% primarily due to the reduction in the Department's capital assets.

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:

**State of New Mexico Department of Public Safety
Management's Discussion and Analysis
June 30, 2016**

FINANCIAL ANALYSIS AT THE FUND LEVEL – CONTINUED

The increase in the **General Fund** balance is due to special appropriations whose revenues were received but not expended this fiscal year. The decrease in the **Special Revenues** fund balance is due to continued decreases in the Department's non-reverting funds (US Department of Justice Federal Forfeitures, US Treasury Federal Forfeitures, State Chemist Fees and Concealed Handgun Carry Fees).

	Fund Balance			Percent Change
	Current Year June 30, 2016	Prior Year June 30, 2015	Increase or (Decrease)	
General Fund	\$ 3,536,825	\$ 2,853,805	\$ 683,020	23.93%
Special Revenues	4,227,778	4,320,762	(92,984)	-2.15%
Capital Projects	-	-	-	0.00%
Total	\$ 7,764,603	\$ 7,174,567	\$ 590,036	8.22%

GENERAL BUDGETARY HIGHLIGHTS

The General Appropriation Act, Laws of 2015, First Session, Chapter 101, Section 4 included an FY16 base general fund appropriation of \$116,261,100. The appropriation was \$7,674,000 more than the FY15 revised appropriation of \$108,587,100, inclusive of compensation packages, for a 6.0% increase of addition-to-base funding primarily for these major items:

- \$3,225,000 to implement Phase II of the Officer Pay Plan to provide an average 5.0% salary increase to commissioned officers;
- \$1,922,300 to fund additional officers and associated operational expenses;
- \$1,447,900 for increased General Services Department insurance premiums and Department of Information Technology communication and data charges;
- \$675,400 to fill critical vacant positions in the Department's three programs;
- \$135,000 to fund an additional Basic Police Officer Training school at the New Mexico Law Enforcement Academy (NMLEA);
- \$75,000 to implement Phase II of the Officer Pay Plan for commissioned law enforcement instructors at the NMLEA.

The General Appropriation Act, Laws of 2016, Second Session, Chapter 11, Section 10 reduced the Department's general fund appropriation by \$692,800 for a revised FY16 general fund appropriation of \$114,995,500.

GENERAL BUDGETARY HIGHLIGHTS - CONTINUED

The Department received funding for additional appropriations totaling \$1,865,600 during FY16:

Section 5 – Special

- \$315,000 General Fund for latent fingerprint contractors to reduce the forensic case backlog; ends on June 30, 2017;
- \$1,200,000 General Fund for the processing of backlogged rape kits; ends on June 30, 2017; and
- \$100,600 General Fund to replace law enforcement breath testing instruments deployed statewide; ends on June 30, 2017.

Section 7 – Data Processing

- \$250,000 Other Sources for the planning phase to implement a records management system that ends on June 30, 2017.

The Department received a unique Special Appropriation in the Laws of 2015, First Session, Chapter 101, Section 5 for the Law Enforcement Program to retain its FY15 unexpended general fund appropriation for use in FY16 to provide funding for an additional New Mexico State Police recruit school. The Department budgeted \$1,503,123 and expended \$1,503,123 in FY16.

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

CAPITAL ASSETS

The Department's capital assets, net of depreciation, are \$16,502,355 at June 30, 2016. Capital Assets and Investment in Capital Assets decreased by \$1,311,166 or 7.4% under the June 30, 2015 net balance of \$17,813,521 as FY16 acquisitions were less than FY15. The Department does not have any debt related to capital assets at June 30, 2016.

COMPENSATED ABSENCES

Total compensated absences as of June 30, 2016, are \$4,842,181. Compensated absences increased by \$332,442 from FY15 to FY16 as the Department implemented targeted pay plans for commissioned officers, forensic scientists and dispatchers in an ongoing effort to improve market competitiveness, address turnover and retain seasoned employees.

DEBT ADMINISTRATION

The Department does not have any long-term debt.

DEPARTMENT STRUCTURE AND ACCOMPLISHMENTS

The New Mexico Department of Public Safety (Department) exists to promote a safe and secure environment for the State of New Mexico through intelligence-led policing practices, vital scientific and technical support, current and relevant training, and innovative leadership for our greater law enforcement community. The major program components of the Department include:

- The New Mexico State Police Division to include:
 - Uniform Services
 - Special Operations
 - Investigations
 - Commercial Vehicle Enforcement
- The New Mexico Law Enforcement Academy
- The Information Technology Division
- The Technical Support Division to include:
 - Law Enforcement Records Bureau
 - Forensic Laboratory Bureau

NEW MEXICO STATE POLICE

The Department's New Mexico State Police (NMSP) provides direct law enforcement services and cooperative support to statewide law enforcement. NMSP also provides commercial vehicle enforcement activities on the highways and at ports of entry around the state to ensure the safe and legal operation of commercial vehicles. The NMSP not only focuses on highway traffic safety, it also assists and collaborates with all law enforcement agencies in the state and at the federal level to reduce crime problems with an overall goal to build a safer, stronger New Mexico. The NMSP also provides local law enforcement protection and response in rural areas that do not have local law enforcement services. The NMSP provides highly specialized teams to support all law enforcement agencies in the areas of:

- Crime scene investigation;
- Criminal and narcotic investigations;
- Bomb team, search and rescue, and accident reconstruction;
- Tactical team and crisis negotiation response;
- Public corruption investigations;
- Alcohol enforcement, and special investigations, including cold cases;
- Dispatch communications, including primary 911 services in some areas;
- Officer-involved shooting investigations.

NMSP actively collaborates with tribal partners in New Mexico to enhance public safety everywhere in New Mexico.

NEW MEXICO STATE POLICE - CONTINUED

During FY16, Uniform Services:

- Spearheaded or participated in over 1161 DWI checkpoints and DWI saturation patrols;
- Performed 20,391 criminal investigations (in conjunction with the NMSP Investigations Bureau);
- Arrested 2,222 persons for DWI.

In Calendar year 2015, Uniform Services:

- Responded to 103,845 calls for service including Drunk Buster calls;
- Issued 282,714 traffic citations;
- Arrested 11,707 individuals; and,
- Responded to 4,883 crashes, including 172 fatal crashes.

The **Special Operations Bureau** is comprised of specialized law enforcement teams and the Department's fleet management team. These highly-skilled teams responded to 655 calls-for-service and include:

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

NEW MEXICO STATE POLICE - CONTINUED

The **Investigations Bureau** provides professional expertise in a myriad of specialized fields to the state or any local law enforcement agencies requesting our assistance, including:

- Crime scene investigation
- Criminal investigation
- Narcotics investigation
- Analytical support
- Technology support
- Criminal interdiction

The Bureau is tasked with investigating felony and other serious crimes statewide of violations of criminal statutes. These investigations are conducted in support of the Department as well as other law enforcement agencies (at no cost to them) throughout the State using both overt (visible) and covert (undercover) means. Special agents also make a direct impact on the problem of drinking and driving as they can stop intoxicated persons from getting behind the wheel through their direct presence in bars, restaurants and stores. Major FY16 accomplishments include:

- The clearance rate for homicide investigations was 100 percent as well above the national average of 64.5%;
- Performed 1,182 drug-related investigations;
- Drug seizures:
 - 399 pounds of methamphetamine;
 - 44 pounds of heroin;
 - 231 pounds of cocaine;
 - 1,604 pounds of marijuana;
- The Crime Scene Team conducted 160 missions for the Department as well as local and federal law enforcement agencies;
- Agents investigated ten (10) officer-involved shootings (OIS) for the Department and 35 for other law enforcement agencies;
- Special Investigations Unit agents investigated or conducted:
 - 6,444 licensed alcohol premise inspections;
 - 628 underage enforcement operations;
 - 581 sales to intoxicated persons operations.

NEW MEXICO STATE POLICE - CONTINUED

The **Commercial Vehicle Enforcement Bureau** (CVEB) (formerly known as the Motor Transportation Division) improves commercial motor vehicle (CMV) and public safety in New Mexico by conducting inspections of CMV's and drivers. Traffic enforcement focused on both CMVs and passenger vehicles is used to reduce unsafe driving behaviors of commercial vehicle drivers and passenger vehicles around commercial vehicles. Unsafe driving around the large trucks is a major contributor to accidents. CVE officers and transportation inspectors also enforce commercial vehicle size and weight laws to enhance safety and reduce wear-and-tear of highway infrastructure.

The State of New Mexico receives \$355,000,000 in Federal Highway Trust Funds every year based upon MTP's annual size and weight plan, certification, and enforcement activities. These funds are used to maintain the state's highways. Major accomplishments for FY16 include:

- **Combined Enforcement** – CVEB officers have been combined with NMSP patrol officers to augment both commercial motor vehicle enforcement activities as well as highway patrol and local law enforcement response;
- **National Recognition** – CVEB was recognized by the Federal Carrier Safety Administration for having highest achieving safety program for Federal Fiscal Year (FFY) 2014 (October 1, 2013 through September 30, 2014) for states of New Mexico's size;
- **Border Enforcement** – During the FFY 2014 rating period, the Bureau conducted 9,567 border enforcement inspections for vehicles with a nexus to international commerce at or near the international border with Mexico;
- **Increased Safety Inspections** – During FY16, 95,855 safety inspections were conducted for a 32% increase over FY15.

LAW ENFORCEMENT ACADEMY

The **New Mexico Law Enforcement Academy (NMLEA)** provides basic training to law enforcement officers and dispatchers at no cost to local law enforcement agencies. In addition, the Academy:

- Establishes rules, policies, qualifications, and standards for the employment, certification, and training of law enforcement officers and public safety dispatchers in the State;
- Researches, develops and provides basic and advanced training courses of instruction;
- Certifies and oversees 8 satellite law enforcement academies throughout the State;
- Adjudicates misconduct and complaint cases that can result in the denial, suspension or revocation of police officer and dispatcher certifications.

LAW ENFORCEMENT ACADEMY - CONTINUED

Strategic accomplishments for FY16 include:

- Provided 813 hours of training to 650 officers in 16 different subject areas;
- Directly provided basic officer training and certification to 462 officers from law enforcement agencies throughout the State;
- Trained and certified 143 dispatchers to serve law enforcement agencies throughout the State;
- Started the fiscal year with 286 open misconduct cases, staff received 81 new cases and adjudicated 119 cases, leaving a balance of 248 open cases at June 30, 2016.

INFORMATION TECHNOLOGY DIVISION

The **DPS Information Technology Division (ITD)** provides information on criminal history, private and commercial driver's licenses, crime reporting etc. to the State's law enforcement agencies and criminal justice entities in New Mexico. As an example, when a driver is pulled over for speeding on the highway, the officer retrieves information on the driver and the vehicle to determine if the driver has a valid license, if the car has been reported stolen, etc.

In addition, the ITD provides 24/7 helpdesk support to all officers and criminal justice agencies experiencing difficulty accessing these records. ITD provides access and services free-of-charge to authorized users for the systems.

Major accomplishments for FY16 include:

- Deployed the Traffic and Criminal Software system (TraCS) which is a statewide program that delivers centralized electronic traffic citations. It is currently deployed in 11 of the 12 New Mexico State Police Districts;
- Deployed the Seizures and Forfeitures System to capture information for all New Mexico law enforcement agencies that have seized currency or property.

LAW ENFORCEMENT RECORDS BUREAU

The **Law Enforcement Records Bureau (LERB)** serves as the State's repository for all the fingerprint and criminal history records in the state, including felony, misdemeanor and driving while intoxicated (DWI) infractions. The repository is responsible for the fingerprint based applicant process for all statutorily mandated agencies that license and regulate employees and individuals. LERB is responsible for:

- Offender Watch – provides sex offender registration notification (current number of registered offenders: 3,302);
- The Missing Persons Clearinghouse, issuing Endangered Person Advisories and providing services such as flyers to families and involved agencies. In calendar year 2015, New Mexico had:
 - 259 Endangered Advisories issued;
 - 13 Silver Alerts issued.

LAW ENFORCEMENT RECORDS BUREAU - CONTINUED

New Mexico must remain current with all Federal Sex Offender Registry (SOR) mandates, the most recent being The Adam Walsh Act. Current statistics include:

- 3,617 registered offenders.
- 2,874 of those offenders appear on www.nmsexoffender.com

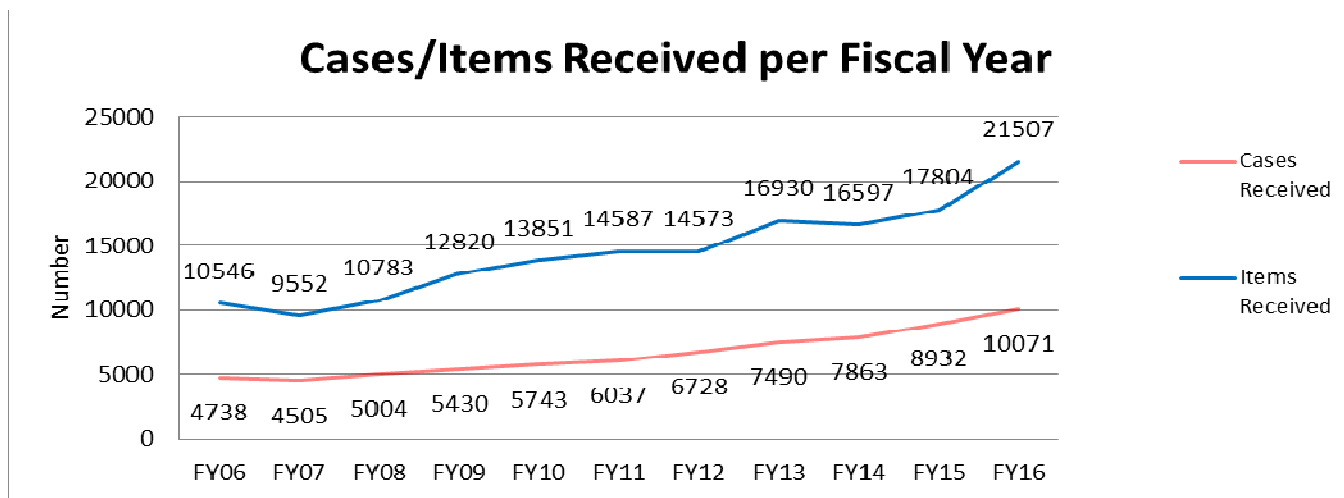
The Concealed Handgun Carry Unit, a section of the LERB, processes concealed handgun license applications and renewals and oversees the training program and background checks required for concealed carry applicants in the State. In FY16 the unit received 8,850 applications and issued 8,680 permits.

FORENSIC LABORATORY BUREAU

The **Forensic Laboratory Bureau (FLB)** provides forensic support to all criminal justice agencies throughout New Mexico. This support includes 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. Forensic case services are provided in the following disciplines:

- DNA and serology;
- Latent print, footwear and tire track;
- Controlled substance;
- Trace and fire debris; and
- Firearm, toolmark and serial number restoration.

The Forensic Laboratory continues to experience a significant rise in cases received per year.



FORENSIC LABORATORY BUREAU - CONTINUED

The Bureau's major accomplishments for FY16 include:

- Inventoried untested sexual assault examination kits stored at local law enforcement agencies and received over 2/3 of the projected backlogged kits;
- Provided support to the New Mexico judicial system by dedicating more than 233 hours to pre-trial interviews, preliminary hearings, and trials and provided expert forensic testimony in 82 State and Federal criminal proceedings;
- The Forensic Laboratory received 10,016 forensic cases and completed 8,778.

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 for the year ended June 30, 2016 were:

<u>TYPE</u>	<u>MEASURE</u>	<u>TARGET</u>	<u>RESULT</u>
LAW ENFORCEMENT PROGRAM:			
Output	Number of licensed alcohol premise inspections conducted per agent assigned to alcohol enforcement duties	350	348.3
Output	Number of traffic-related enforcement projects held	1,700	1,385
Output	Number of driving- while -intoxicated checkpoints and saturation patrols conducted	1,175	1,113
Output	Number of criminal investigations conducted by agents assigned to criminal investigative and impact positions in the investigations bureau	15	23.7
Output	Number of drug-related investigations conducted per agent assigned to narcotics investigative positions in the investigations bureau	12	62.2
Outcome	Number of data-driven crime and traffic initiatives conducted	750	1,385

PERFORMANCE MEASURES - CONTINUED

<u>TYPE</u>	<u>MEASURE</u>	<u>TARGET</u>	<u>RESULT</u>
LAW ENFORCEMENT PROGRAM - CONTINUED:			
Output	Number of commercial motor vehicle citations issued per filled full-time-equivalent assigned to enforcement duties	522	338.9
Output	Number of commercial motor vehicle safety inspections conducted per filled full-time-equivalent position assigned to inspection duties	397	620
Output	Number of noncommercial motor vehicle citations issued per filled full-time-equivalent position assigned to enforcement duties	175	182
Output	Number of out-of-service commercial motor vehicle citations issued per filled full-time-equivalent position assigned to enforcement	100	286
STATEWIDE LAW ENFORCEMENT SUPPORT PROGRAM:			
Outcome	Percent of forensic biology and deoxyribonucleic (DNA) cases completed per filled full-time-equivalent position within thirty working days	50%	12.80%
Outcome	Percent of forensic latent fingerprint cases completed per filled full-time-equivalent position within thirty working days	50%	22.30%
Outcome	Percent of forensic firearm or toolmark cases completed per filled full-time-equivalent position within thirty working days	50%	14.60%

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 \$150,132,400 for the FY17 operating budget in the Laws of 2016, Second Session, Chapter 11, Section 4. The Department deviated federal grants totaling \$5,272,400 for a total operating budget of \$155,404,800. This includes a general fund appropriation of \$120,628,400 which is a 4.9 percent increase over the FY16 revised amount of \$114,995,500. Major funding changes included:

General Fund operating budget including the following:	\$115,688,300
Phase III officer compensation package	1,250,000
Funding to fill officer vacancies & law enforcement operational costs	1,660,500
Funding for forensic laboratory casework expenses	440,000
Establishment of a criminal history clearinghouse	450,000
Funding for general operations	985,600

Section 5, Item 46 appropriated \$315,000 General Fund for latent fingerprint contractors to clear backlogged cases. The appropriation ends on June 30, 2017. Funds were received in FY16 and are included in the Department's General Fund restricted fund balance of \$3,605,049 at June 30, 2016, for expenditure in FY17.

Section 5, Item 47 appropriated \$1,200,000 General Fund for the processing of backlogged rape kits at the Department. The appropriation ends on June 30, 2017. Funds were received in FY16 and are included in the Department's General Fund restricted fund balance of \$3,605,049 at June 30, 2016, for expenditure in FY17.

Section 5, Item 48 appropriated \$100,600 General Fund to replace law enforcement breath testing instruments deployed statewide. The appropriation ends on June 30, 2017. Funds were received in FY16 and are included in the Department's General Fund restricted fund balance of \$3,605,049 at June 30, 2016, for expenditure in FY17.

Section 7, Item 20 appropriated \$150,000 Other State Funds to enhance the consolidated offender query data base for the Criminal History Clearinghouse. The appropriation ends on June 30, 2018. The Department did not budget this appropriation, in whole or in part, for expenditure as of June 30, 2016.

The Laws of 2016, Second Session, Chapter 81, Section 23 appropriated \$3,000,000 in severance tax bonds to purchase and equip law enforcement vehicles statewide. The appropriation ends on June 30, 2018. The Department has certified the need for funding and will start expending the funds in FY17.

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

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FINANCIAL STATEMENTS

**State of New Mexico Department of Public Safety
Statement of Net Position**

As of June 30, 2016

	Governmental Activities
Current Assets:	
Cash and cash equivalents	\$ 286,425
Investment in State General Fund Investment Pool (Note 3)	14,785,404
Due from federal government, net (Note 5)	2,567,146
Trade receivables, net (Note 4)	588,551
Due from the State General Fund	-
Due from other state agencies (Note 7)	1,719,956
Due from local governments (Note 6)	210,781
Due from universities	5,340
Total Current Assets	<u>20,163,603</u>
Non-Current Assets:	
Capital assets, not being depreciated (Note 10)	14,394
Capital assets being depreciated, net of accumulated depreciation (Note 10)	16,487,961
Total Non-Current Assets	<u>16,502,355</u>
Total Assets	<u>\$ 36,665,958</u>
Current Liabilities:	
Accounts payable	\$ 7,245,789
Accrued salaries and benefits payable	3,176,592
Unearned grant revenue	-
Due to other federal agencies	271,123
Due to other state agencies (Note 8)	108,637
Due to local governments	112,163
Due to State General Fund (Note 11)	569,302
Due to universities	43,001
Compensated absences (Note 12)	2,469,512
Total Current Liabilities	<u>13,996,119</u>
Long-Term Liabilities:	
Compensated absences due after one year (Note 12)	2,372,669
Total Long-Term Liabilities	<u>2,372,669</u>
Total Liabilities	<u>16,368,788</u>
Net Position:	
Net investment in capital assets	16,502,355
Restricted	4,028,421
Unrestricted	(233,606)
Total Net Position	<u>20,297,170</u>
Total Liabilities and Net Position	<u>\$ 36,665,958</u>

See Report of Independent Certified Public Accountants and Notes to Financial Statements

**State of New Mexico Department of Public Safety
Statement of Activities**

Year Ended June 30, 2016

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants	Governmental Activities
Governmental Activities:				
Program support	\$ (138,787,910)	\$ 4,695,084	\$ 10,868,966	\$ (123,223,860)
Law enforcement	(393,695)	14,133	-	(379,562)
Statewide law enforcement support	(25,250)	881,465	-	856,215
Total Governmental Activities	\$ (139,206,855)	\$ 5,590,682	\$ 10,868,966	(122,747,207)
General Revenues and (Expenses):				
State General Fund Appropriations				116,611,100
Weight distance tax permit fund appropriations				1,265,600
Transfers - severance tax bond appropriations				143,695
Transfers - in from other state agencies (Note 9)				3,760,845
Reversions - State General Fund				(546,040)
Gain on sale of capital assets				435,940
Total General Revenues				121,671,140
Change in Net Position				(1,076,067)
Net Position, Beginning				21,373,237
Net Position, Ending				\$ 20,297,170

**State of New Mexico Department of Public Safety
Balance Sheet - Governmental Funds**

As of June 30, 2016

	General Fund (12800)	Other Non-Major Governmental Funds	Total Governmental Funds
Assets:			
Interest in State General Fund			
Investment Pool (Note 3)	\$ 10,707,315	\$ 4,078,089	\$ 14,785,404
Cash in banks	155,332	21,043	176,375
Cash on hand	10,050	100,000	110,050
Trade receivables, net (Note 4)	571,491	17,060	588,551
Due from federal government, net (Note 5)	2,567,146	-	2,567,146
Due from State General Fund	-	-	-
Due from other state agencies (Note 7)	1,698,651	21,305	1,719,956
Due from local governments (Note 6)	210,781	-	210,781
Due from universities	5,340	-	5,340
Total Assets	\$ 15,926,106	\$ 4,237,497	\$ 20,163,603
Liabilities:			
Accounts payable	\$ 7,244,061	\$ 1,728	\$ 7,245,789
Accrued salaries and benefits payable	3,176,592	-	3,176,592
Unearned grant revenue	-	-	-
Due to other federal agencies	271,123	-	271,123
Due to the State General Fund (Note 11)	563,686	5,616	569,302
Due to other state agencies (Note 8)	106,262	2,375	108,637
Due to local governments	112,163	-	112,163
Due to universities	43,001	-	43,001
Total Liabilities	11,516,888	9,719	11,526,607
Deferred Inflows of Resources:			
Amounts unavailable (not received within period of availability)	872,393	-	872,393
Total Deferred Inflows of Resources	872,393	-	872,393
Fund Balance:			
Unrestricted	(233,606)	-	(233,606)
Non-Spendable:			
Petty cash and change funds	10,050	-	10,050
Cash in authorized bank and CD's	155,332	21,043	176,375
Flashroll	-	100,000	100,000
Spendable:			
Restricted	3,605,049	4,106,735	7,711,784
Total Fund Balance	3,536,825	4,227,778	7,764,603
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 15,926,106	\$ 4,237,497	\$ 20,163,603

State of New Mexico Department of Public Safety
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

June 30, 2016

Total Fund Balance - Governmental Funds
(Balance Sheet - Governmental Funds) \$ 7,764,603

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. 16,502,355

Recording of deferred inflows of resources in the Balance Sheet - Governmental Funds and revenue in the Statement of Activities 872,393

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the funds. (4,842,181)

Net Position of Governmental Activities (Statement of Net Position) \$ 20,297,170

State of New Mexico Department of Public Safety
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

Year Ended June 30, 2016

	General Fund (12800)	Other Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Federal grants	\$ 11,065,069	\$ -	\$ 11,065,069
State grants	(173,596)	-	(173,596)
Forfeitures	-	5,564	5,564
Other program fees	4,695,084	890,033	5,585,117
Proceeds from sale of property	468,190	-	468,190
Total Revenues	16,054,747	895,597	16,950,344
Expenditures:			
Public safety			
Current			
Personal services and employee benefits	97,107,555	-	97,107,555
Contractual services	5,339,674	-	5,339,674
Other costs	29,137,679	323,066	29,460,745
Capital outlay	5,591,655	95,879	5,687,534
Total Expenditures	137,176,563	418,945	137,595,508
Excess (Deficiency) of Revenues Over Expenditures	(121,121,816)	476,652	(120,645,164)
Other Financing Sources (Uses):			
State General Fund Appropriations	116,611,100	-	116,611,100
Weight distance tax permit fund appropriations	1,265,600	-	1,265,600
Transfers - severance tax bond appropriations	-	143,695	143,695
Reversions - State General Fund	(540,424)	(5,616)	(546,040)
Interagency transfer in (out) (Note 9)	3,261,022	499,823	3,760,845
Interfund transfer in	1,207,538	-	1,207,538
Interfund transfer out	-	(1,207,538)	(1,207,538)
Total Other Financing Sources (Uses)	121,804,836	(569,636)	121,235,200
Change in Fund Balance	683,020	(92,984)	590,036
Fund Balance, Beginning	2,853,805	4,320,762	7,174,567
Fund Balance, Ending	\$ 3,536,825	\$ 4,227,778	\$ 7,764,603

**State of New Mexico Department of Public Safety
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance -
 Governmental Funds to the Statement of Activities**

Year Ended June 30, 2016

**Net Changes in Fund Balance - Total Governmental Funds (Statement of Revenues,
 Expenditures and Changes in Fund Balance - Governmental Funds)** \$ 590,036

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

Net change in deferred inflows of resources adjustments from prior
 to current year (reported as a deferred inflow of resource in the
 Balance Sheet - Governmental Funds and reported as revenue in
 the Statement of Activities). (22,495)

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	\$ 5,687,534	
Depreciation expense	<u>(6,966,450)</u>	(1,278,916)

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. (32,250)

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.

Increase in compensated absences		<u>(332,442)</u>
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Change in Net Position of Governmental Activities (Statement of Activities) \$ (1,076,067)

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) -
General Fund**

Year Ended June 30, 2016

	General Fund			
	All Appropriations - Fund 12800			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ 123,279,223	\$ 123,279,223	\$ 116,611,100	\$ (6,668,123)
Other appropriations	1,265,600	1,265,600	1,265,600	-
Federal funds	15,001,800	16,841,559	11,065,070	(5,776,489)
Other state funds	4,992,800	7,060,459	4,989,679	(2,070,780)
Other financing sources	7,260,000	7,524,700	4,468,560	(3,056,140)
Total Revenues	151,799,423	155,971,541	138,400,009	\$ (17,571,532)
Prior Year Fund Balance Budgeted	-	-		
Total Budgeted Revenues	\$ 151,799,423	\$ 155,971,541		
Expenditures:				
Personal services and benefits	\$ 101,376,200	\$ 101,751,552	97,107,556	\$ 4,643,996
Contract services	9,073,000	10,198,221	5,339,674	4,858,547
Other	41,350,223	44,022,068	34,729,335	9,292,733
Other financing uses	-	-	-	-
Total Budgeted Expenditures	\$ 151,799,423	\$ 155,971,841	137,176,565	\$ 18,795,276
Excess (Deficiency) of Revenue Over Expenditures			1,223,444	
GAAP basis reconciliation				
Reversion to State General Fund			(540,424)	
Net Change in Fund Balance			\$ 683,020	

**State of New Mexico Department of Public Safety
Statement of Fiduciary Assets and Liabilities - Agency Funds**

June 30, 2016

	<u>Agency Funds</u>
Assets:	
Interest in State General Fund Investment Pool	\$ 228,070
Cash in banks	<u>139,780</u>
Total Assets	<u><u>\$ 367,850</u></u>
Liabilities:	
Assets held for others	<u>\$ 367,850</u>
Total Liabilities	<u><u>\$ 367,850</u></u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 – HISTORY AND FUNCTION

On July 1, 1987, the Department of Public Safety was formed by Section 9-19-4 NMSA 1978. 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 two significant policies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and in accordance with the criteria set forth in GASB 39 and GASB 61. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Reporting Entity and Component Units – Continued

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.

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.

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 and deferred outflows as well as long-term debt and obligations and deferred inflows. 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 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. This government-wide focus is more on the sustainability of the Department as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basic Financial Statements - Government-Wide Statements – Continued

Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Items not properly identified as program revenues are reported instead as general revenues. The Department reports all direct expenses by program in the statement of activities. Direct expenses are those clearly identifiable with a function. All indirect expenses are recorded in the general government functional expense category. The Department does not employ indirect cost allocation. Program revenue must be directly associated with the function or a business-related activity. The Department has one function (public safety) and three programs: Law Enforcement, Statewide Law Enforcement Support, and Program Support. Law Enforcement revenues consist of federal and state grants, court fines and forfeitures, concealed carry weapon fees, security reimbursements, auction proceeds and insurance claims. Statewide Law Enforcement Support revenues consist of federal grants, Law Enforcement Records Bureau photostat and fingerprint fees, state chemist fees, and advanced training fees. Program Support revenues consist of federal grants.

Net position are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the Department's policy to use restricted resources first, then unrestricted resources, as they are needed.

Basic Financial Statements - Fund Financial Statements

Emphasis is on the major fund of the governmental category. Non-major funds are summarized into a single column. The Department's major fund is its General Fund.

The governmental funds in the financial statements are presented on a current financial resource and modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basic Financial Statements - Fund Financial Statements – Continued

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

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

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

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

The following fund types are used by the Department:

Governmental Fund Types

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financials statements focus on current resources and use of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of governmental funds are narrower than governmental-wide financials statements. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basic Financial Statements - Fund Financial Statements – Continued

Governmental Fund Types – Continued

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

12800 General Fund - The operating account for the Department was created by Chapter 29, Article 12 NMSA 1978 may be cited as the “New Mexico State Police Act”. This is a reverting fund.

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 State 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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basic Financial Statements - Fund Financial Statements – Continued

Governmental Fund Types – Continued

- 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.
- 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.
- 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 fund balance reverts to the State General Fund at the end of each fiscal year.
- 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 (DFA) to account for funds received under the American Recovery and Reinvestment Act (ARRA). It is a non-reverting fund. The department is no longer using this fund and is waiting for DFA to close the fund.
- 89400 Crime Stoppers Reward Fund - The Crime Stoppers Reward Fund was established in accordance with a New Mexico Department of Finance and Administration directive to account for contributions (gifts, bequests or court-ordered amounts) to the Crime Stoppers program and expenditures from the program. It is a non-budgeted and nonreverting fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basic Financial Statements - Fund Financial Statements – Continued

Governmental Fund Types – Continued

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

89200 STB Capital Outlay Fund - This fund was created to separately account for the construction of infrastructure on behalf of other governments or other long term Departmental projects in annual legislative appropriations. This is funded through the sale of Severance Tax Bonds and is distributed through the Board of Finance of the Department of Finance and Administration. This fund reverts upon completion of the appropriation project or upon expiration of the appropriation period. Appropriations are received on a reimbursement basis as expenditures occur, therefore only budgetary reversions are made when applicable.

93100 GF Capital Outlay Fund - This fund was established by the Department of Finance and Administration to track all capital outlay appropriations starting in Fiscal Year 2012. This fund replaces fund 09000. It is funded by state appropriations used for buildings and other projects. This fund reverts upon project completion.

Fiduciary Fund Types

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

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

40200 DNA Fund - The DNA Identification System Fund was established in accordance with Section 29-16-11, NMSA 1978. It is used to collect fees of \$100 from convicted felons as part of the parole process. Fees are used by New Mexico correctional facilities for blood tests which establish a DNA Identification System in the state. This is a nonreverting fund.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basic Financial Statements - Fund Financial Statements – Continued

Agency Fund Types - Continued

- 10560 Evidence Fund - The Evidence Fund was established in Section 29-1-15, NMSA 1978 to account for monies confiscated during the normal course of police operations. Disposition of evidence is by Court order. Property awarded to the State is sold at auction and funds are deposited in the Evidence Fund. No value is assigned to evidence until it is sold. Some evidence is destroyed after it is no longer needed as evidence. This is a non-reverting fund.
- 78700 Governmental Gross Receipts Tax Fund - The Governmental Gross Receipts Tax Fund is used to account for taxes collected on the sale of tangible personal property from facilities open to the general public. The monies are held for and are payable to the State of New Mexico Taxation and Revenue Department. This is a non-reverting fund.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus. Under the accrual basis, revenues are recorded when earned and expenses are recorded at the time liabilities or obligations are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Department gives (or receives) value without directly receiving (or giving) equal value in exchange, include gross receipts taxes, grants and appropriations. On an accrual basis, revenue from gross receipts taxes is recognized in the fiscal year for which the taxes are collected. Revenue from appropriations is recognized in the fiscal year appropriated and made available. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. All significant interfund transactions have been eliminated. Deferred inflows and deferred outflows 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.

Governmental fund types follow the modified accrual basis of accounting for financial statement purposes. Under the modified accrual basis of accounting, 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 fiscal period (available meaning collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, typically 60 days). Expenditures, other than vacation, compensatory and with pay, are recorded when they are incurred.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting – Continued

The Government-wide 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. In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to Governmental Accounting Standards Board Statement No. 33 (GASB 33), *Accounting and Financial Reporting for Nonexchange Transactions*, 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 requirements are met, under most circumstances, should be reported as a liability by the recipient.

The exception to this general rule is principal and interest on general long-term debt, if any, is recognized when due.

The Department follows Governmental Accounting Standards Board (GASB) Statement No. 62, *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.

The Department follows Governmental Accounting Standard Board Statement No. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources, and Net Position* (GASB 63). GASB 63 introduced a fundamental change to the reporting of elements that make up a statement of financial position.

Deferred outflows of resources consumed and deferred inflows of resources received and available as they are now included in the elements that make up a statement of financial net position and GASB 63 introduced the term net position for reporting the residual of all elements in a statement of financial net position. The statement of financial net position of the Department conforms to the presentation requirements of GASB 63.

During 2014, the Department implemented 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. Any unearned revenue for federal or state grants whereas eligibility requirements have been met except for time requirements will be classified beginning this year under this standard. Deferred inflows of \$872,393 were recorded in the Governmental Funds where all eligibility requirements of the respective grants were met, but the grants proceeds were not available until after 60 days from June 30, 2016.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting – Continued

The Department engages in federal grant agreement programs commonly referred to as “reimbursement type” programs. These programs require that the recipient (the Department) must incur allowable costs as defined by the agreement types in order to draw down funds against the particular project. This is the principal eligibility requirement for the recognition of the revenue. Upon incurring an allowable cost, the Department simultaneously recognizes a receivable and revenue in the amount of the expenditures incurred. All other eligibility requirements or grants, as applicable, must also be satisfied.

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. Data processing 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 Inflows 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Budgets and Budgetary Accounting – Continued

- b) Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcome of those hearings are incorporated into the State's General Appropriations Act.
- c) The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit, at which time the approved budget becomes a legally binding document.
- 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 legal level of budgetary control is the appropriation program level. 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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounts Receivable

Accounts receivable consists of amounts due from various entities: individuals, private businesses, state and local governmental agencies. The department provides the following services: advanced and basic training of law enforcement and dispatch personnel (course fee, room and board); certification of law enforcement programs; criminal justice information background checks; fingerprint background checks; concealed handgun carry permit licensing fees; security services for special events, highway construction sites, movies, and the legislature. In addition, the department receives grants from federal, state, and local government agencies. Examples include: law enforcement activity funding such as DWI check points, warrant roundups, highway safety saturation patrols, seat belt and child safety seat enforcement, commercial vehicle safety enforcement, narcotics enforcement, underage drinking law enforcement; forensic case processing to include DNA and chemistry analysis; federal emergency federal response, and provide sub-recipient grants to local law enforcement task forces.

The department actively pursue collections of all valid accounts receivable and to comply with Article IV, Section 32 of the New Mexico Constitution that mandates that no amounts owed to the state can be exchanged, transferred, remitted, released or postponed. As a result of this policy, the department does not write off any receivables balances and, instead provides an allowance for uncollectable accounts. A detail listing of all uncollectable accounts is maintained and uncollectable accounts are referred to the departments legal department for possible legal collections actions. The balance of receivables deemed uncollectable through the end of FY 2016 was \$900,360 and a net total \$350,186 was moved to the uncollectable account during the fiscal year. (Note 4 and Note 5)

Due From/To Other Funds

A due from/to other funds represents an asset account in the general ledger that indicates the amount due from and to other funds within the department (Note 9) and are included in the governmental fund financials statements. The due from account is typically used in conjunction with a due to account to reconcile which accounts the money is due from and due to. Inter-fund transactions are eliminated in the Accrual-basis governmental-wide financial statements.

Due to State General Fund (Reversions)

Reversions to the State General Fund by the Department are based on the definitions of both reverting and non-reverting funds. The Department calculates reversions by determining the excess of accrued revenues over accrued expenditures for its General Fund appropriation, Compensation appropriation, Road Fund appropriation, Weight Distance appropriation, and other reverting state funds as of June 30 of each fiscal year.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Due to State General Fund (Reversions) - Continued

Unexpended and unencumbered balances are generally reverted to the State General Fund. Annual appropriations state that unexpended or unencumbered balances of the State General Fund appropriation to the Department shall revert. Accordingly, reversions have been recorded in the current year for General Fund appropriations. Also, the unexpended and unencumbered balance of special and data processing appropriations are reverted upon expiration.

Due From/To Beneficiaries (Component Units) and Local Governments

A due from/to between component units and local governments is activity that takes place between and among governmental, propriety, and fiduciary funds. The activity is recorded in the general ledger that indicates the amount due from and to local entities within the State of New Mexico (Note 6) and are included in the governmental fund financials statements. Inter-fund transactions are eliminated in the Accrual-basis governmental-wide financial statements.

Due From/To Other State Agencies

A due from/to other state agencies is recorded as an asset account in the general ledger that indicates the amount due from and to other state agencies within the State of New Mexico (Note 7) and are included in the governmental fund financials statements. The due from/to account is typically used in conjunction a fund and fund affiliate so at the state level they are reconciled.

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 animals	2

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets - Continued

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.

Accrued Compensated Absences - Annual Leave

New Mexico State Police officers accumulate annual leave as follows:

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

Classified service employees accumulate annual leave as follows:

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accrued Compensated Absences - Annual Leave - Continued

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, 2016, 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.

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 \$16,502,355 at June 30, 2016. The Department does not have any related debt.

Restricted Net Position: are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory, bond covenant or granting agency) limitations on their use. Such restrictions are legally enforceable.

Unrestricted Net Position: represent unrestricted liquid assets.

For the department-wide financial statements, it is the policy of the Department that restricted resources are applied first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Classifications

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 \$7,711,784; 2) Committed Purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches; 3) Assigned Purposes, which includes balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed. The non-spendable category of fund balance consists of the net financial resources that cannot be spend because they are either not in spendable form or legally or contractually required to be maintained intact. A summary of the nature and purpose of these reserves by fund type at June 30, 2016, follows:

Non-spendable – Short Term Investments. This reserves was created to represent the portion of the fund balance that is in a Certificate of Deposit (CD) for the Motor Transportation.

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.

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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Classifications - continued

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, restricted fund balance in most instances will 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.

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

Unearned Revenue and Deferred Inflows

Unearned Revenue

Unearned revenue represents a liability for the Department when a payment is made to the department in advance of goods or services being rendered. When goods or services are rendered unearned revenue is decreased and revenue is recognized and recorded as an increase. Unearned revenue is used to account for (1) amounts received from a vendor in advance of expenditures occurring, whereas certain eligibility requirements have not yet been met.

Deferred Inflows

Deferred inflows in the amount of \$872,393 have been reported on the balance sheet –governmental funds because the Department received grants funds in advance from state (nonfederal) funds and all eligibility requirements have been satisfied except for time requirements. The deferred inflows are expected to be amortized to revenue in the coming year.

Other Revenues and Transfers

Other revenues consist primarily of the State's portion of reimbursements for previous overpayments of benefits.

Transfers in from (out to) other state agencies and governmental units are recorded as other financing sources (uses).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

New Mexico Public Employees Retirement Association (PERA)

Compliant with the requirements of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, the State of New Mexico implemented the standard in FY15.

The Department, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

Information concerning the net pension liability, pension expense and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the CAFR and will be available, when issued, from the Office of State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

Revenues, Expenditures and Expenses

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Expenditures are recognized when the related fund liability is incurred, except for the following permitted by accounting principles generally accepted in the United States of America:

Prepaid items and inventory costs are reported in the period when inventory items are consumed, rather than in the period purchased.

When an expense is incurred that meets the requirements of both restricted and unrestricted resources, the Department will first apply it to available restricted net position.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenues, Expenditures and Expenses - Continued

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.

Cost Allocation

The Department does not employ indirect cost allocation in the Financial Statements.

Use of Estimates

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

NOTE 3 – INTEREST IN STATE TREASURER GENERAL FUND INVESTMENT POOL AND CASH

Cash Equivalents on Deposit with State Treasurer's Office

Compliant with statute 6-10-3 (NMSA 1978), and to optimize state cash management and investment practices, funds of various state agencies are deposited in the State General Fund Investment Pool (SGFIP). This pool is managed by the New Mexico State Treasurer's Office (STO). Claims on the SGFIP are reported as financial assets by the various agencies investing in the SGFIP.

Agency claims against the SGFIP and fiduciary resources held at STO to fulfill those claims were not reconciled from the inception of SHARE (the State's centralized accounting system), in July 2006 through January 2013, which caused uncertainty as to the validity of the claims and the ability of fiduciary resources to fulfill those claims. As a result of business process and systems configuration changes made during the Cash Management Remediation Project Phase I, the Board of Finance and Administration's Financial Control Division began reconciling transactional activity reported by the State's fiscal agent bank to the SHARE general ledger on a point-forward basis beginning February 1, 2013. In March 2015, the Financial Control Division implemented a reconciliation process that compares statewide agency claims against the resources held in the SGFIP at STO. This process is known as the claims to resources reconciliation.

The State Controller indicated on August 8, 2016 that calculated difference between resources maintained by STO and the agency claims has remained stable and within a narrow and acceptable range (< \$200k standard deviation) over the last twelve months; resources are sufficient to cover claims and there is no need to adjust any specific business unit claim on the SGFIP and that all claims will be honored at face value.

The Department has established daily and monthly procedures that mitigate the risk of misstatement of the Department's balances within the Pool. In addition, as required by Section 6-5-2.1 (J) NMSA 1978, DFA/FCD is to complete, on a monthly basis, reconciliation with the balances and accounts kept by the state treasurer and adopt and promulgate rules regarding reconciliation for state agencies.

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 General Fund Investment Pool managed by the New Mexico State Treasurer's Office.

NOTE 3 – INTEREST IN STATE TREASURER GENERAL FUND INVESTMENT POOL AND CASH - CONTINUED

The Department is aware that the General Fund Investment Pool balances have not been reconciled at the Agency and Fund level by the Department of Finance and Administration. However, the Department has established its own internal reconciliation policies and procedures to mitigate the risk that our cash balances would be misstated as of June 30, 2016. The Department is confident that our reconciliation process ensures all incoming and outgoing cash transactions are properly identified and that they are timely and accurately recorded in the financial system. Recording is not final until approved by the State Treasurer's Office who compares the recorded transactions against validated bank deposit slips provided to them by the State's Fiscal Agent Bank. Our agency then compares all deposits to financial system cash transaction and general ledger reports to ensure they have been properly and thoroughly recorded.

Similarly, incoming wire cash transfers and operating cash transfers originating outside our agency and received by the State's Fiscal Agent Bank are identified, reviewed and verified to ensure they are properly authorized, recorded, reported and reconciled to source documents. All outgoing cash transactions are pre-audited for compliance, accuracy and authority before they are approved, paid and recorded in the financial system. These transactions are then verified and reconciled to financial system cash transaction and general ledger reports to ensure they have been properly and thoroughly recorded. Finally, cash management is vital to the Department's daily operations and our agency's CFO monitors cash on an ongoing basis and performs analytical reviews for reasonableness, expected results and trends. Unusual balances and activities are researched and resolved to ensure the accuracy and integrity of our cash balances.

At June 30, 2016, the Department had the following invested in the General Fund Investment Pool:

General Fund Investment Pool \$ 14,785,404

During 2016, FCD was able to reinstate \$100 million of the amount that was recorded as a loss contingency. Additionally for fiscal year 2016, FCD is able to assert the following points:

- 1) The calculated difference between resources maintained by STO and the agency claims has remained stable and within a narrow and acceptable range (<200k standard deviation) over the last twelve months;
- 2) Resources are sufficient to cover claims and there is no need to adjust any specific business unit claim on the SGFIP;
- 3) All claims will be honored at face value.

NOTE 3 – INTEREST IN STATE TREASURER GENERAL FUND INVESTMENT POOL AND CASH - CONTINUED

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

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

For additional GASB No. 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, 2016.

Concentration of Credit Risk. GASB Statement No. 40 defines concentration of credit risk as investments of more than 5% in any one issuer. External investment pools, such as the LGIP, are excluded from the requirement of disclosing concentration of credit risk.

State law requires that repurchase agreements be secured by collateral with a market value greater than 102% of the value of the agreement. The securities are held by a third party in the Department’s name. The fair value of the repurchase agreement approximates the cost at June 30, 2016.

NOTE 4 – TRADE RECEIVABLES, NET

The aging of trade recievables as of June 30, 2016:

<u>Number of Days Outstanding</u>	
0 - 30	\$ 8,020
31 - 60	-
61 - 90	5,800
91 - 120	110
Beyond 120	<u>1,299,813</u>
	1,313,743
Allowance for uncollectable accounts	<u>(725,192)</u>
	<u>\$ 588,551</u>

State of New Mexico Department of Public Safety
Notes to Financial Statements
June 30, 2016

NOTE 5 – DUE FROM FEDERAL GOVERNMENTS, NET

The Due from Federal Governments, net consists of the following as of June 30, 2016:

<u>Agency</u>	
U.S. Department of Justice, Bureau of Justice Assistance	\$ 883,132
U.S. Department of Justice, Office of Community Oriented Policing Services	24,011
U.S. Department of Justice, National Institute of Justice	388,655
U.S. Department of Office of Sex Offenders Sentencing, Monitoring, Apprehending, Registering, and Tracking:	30,507
U.S. Department of Justice, Criminal Division	9,276
U.S. Department of Transportation (FMCSA)	1,290,572
Executive Office of the President	116,161
	<u>2,742,314</u>
Allowance for uncollectable accounts	(175,168)
	<u>\$ 2,567,146</u>

NOTE 6 - DUE FROM LOCAL GOVERNMENTS

The aging of due from local governments as of June 30, 2016:

<u>Due from Local Governments:</u>	
County of Bernalillo	\$ 5,639
County of Dona Ana	17,182
McKinley County	33,533
Lea County	1,739
Luna County	44,282
Hidalgo County	76,851
Rio Arriba County	2,585
City of Rio Rancho	5,936
Misc. Local Governments	23,034
	<u>\$ 210,781</u>

State of New Mexico Department of Public Safety
Notes to Financial Statements
June 30, 2016

NOTE 7 – DUE FROM OTHER STATE AGENCIES

Fund Description	Fund Number	Sub-total	Total	Due From Business Unit	Fund Number
General Fund	12800	\$ 15		35200	60505
State Chemist Fees Fund	27200	21,305		21800	68700
Total fees due			<u>\$ 21,320</u>		
General Fund	12800	1,068		21800	11600
	12800	38,022		21800	11600
	12800	27,497		46000	19100
	12800	56,760		52100	19902
	12800	39,269		63000	5200
	12800	933		78000	91600
	12800	873,244		80500	10010
	12800	323,239		80500	20100
	12800	338,604		80500	20800
Total reimbursement due			<u>\$ 1,698,636</u>		
Total Governmental Funds			<u><u>\$ 1,719,956</u></u>		
Administrative Office of the Courts			\$ 60,395		
Education Retirement Board			15		
NM State Fair			27,497		
Energy, Minerals & Natural Resources Dept.			56,760		
Department of Human Services			39,269		
Crime Victims Reparation Commission			933		
NM Department of Transportation			1,535,087		
			<u><u>\$ 1,719,956</u></u>		

State of New Mexico Department of Public Safety
Notes to Financial Statements
June 30, 2016

NOTE 8 – DUE TO OTHER STATE AGENCIES

Fund Description	Fund Number	Total	Due From	
			Business Unit	Fund Number
General Fund	12800	\$ 126	33300	99400
	12800	100,000	35000	35703
	12800	60	66200	10205
	12800	26	35600	17600
	12800	5,985	77000	90700
	12800	65	66500	6105
Law Enforcement Advanced Training Fund	78600	2,375	30500	17000
Total Governmental Funds		<u>\$ 108,637</u>		
NM Taxation & Revenue		\$ 126		
General Services Department		100,000		
Office of the Governor		26		
Department of Health		65		
Miners Colfax Medical Center		60		
NM Corrections		5,985		
Office of the Attorney General		2,375		
		<u>\$ 108,637</u>		

State of New Mexico Department of Public Safety
Notes to Financial Statements
June 30, 2016

NOTE 9 - OPERATING TRANSFERS

Transfers within the Agency - Transfers in (Transfers out):

	General Fund (12800)	State Chemist Fees Fund (27200)	Federal Forfeitures Fund US DOJ State Police (34300)	Concealed Handgun Carry Fund (59400)	Law Enforcement Advanced Training Fund (78600)	Total all Intra-agency Transfers
(1)	\$ 296,362	\$ (296,362)	\$ -	\$ -	\$ -	\$ -
(2)	614,015	-	(614,015)	-	-	-
(3)	275,400	-	-	(275,400)	-	-
(4)	21,761	-	-	-	(21,761)	-
	<u>\$ 1,207,538</u>	<u>\$ (296,362)</u>	<u>\$ (614,015)</u>	<u>\$ (275,400)</u>	<u>\$ (21,761)</u>	<u>\$ -</u>

- (1) Transfers to General Fund for State Chemist Fees
- (2) Transfers to General Fund for State Forfeitures
- (3) Transfers to General Fund for Concealed Handgun Carry fees
- (4) Transfers to General Fund for Law Enforcement Advanced Training fees

State of New Mexico Department of Public Safety
Notes to Financial Statements
June 30, 2016

NOTE 9 - OPERATING TRANSFERS

Transfers outside of Agency - Transfer in (Transfer out):

	General Fund (12800)	Peace Officers' Survival Fund (34600)	Total all Inter-agency Transfers
(5)	\$ 3,260,000	\$ -	\$ 3,260,000
(6)	-	499,823	499,823
(7)	1,022	-	1,022
	<u>\$ 3,261,022</u>	<u>\$ 499,823</u>	<u>\$ 3,760,845</u>

- (5) Laws 2015, 1st S, Ch. 101, Section 7, item 24 Planning phase to implement records mgmt. system
- (6) Transfer funds to DPS for the Peace Officers' Survival Fund
- (7) DPS Invoices Nov 2015 to Feb 2016 from Drug Court

State of New Mexico Department of Public Safety
Notes to Financial Statements
June 30, 2016

NOTE 10 – CAPITAL ASSETS

The capital assets activity for the year ended June 30, 2016, is as follows:

	Balance		
	June 30, 2015	Additions	Retirements
Capital Assets Not Being Depreciated:			
Land	\$ 14,394	\$ -	\$ -
Other Capital Assets:			
Furniture and fixtures	\$ 432,091	\$ -	\$ -
Equipment and machinery	9,861,879	475,015	-
Automobile	31,558,856	4,751,179	(2,571,973)
Aircraft	6,772,900	-	-
Buildings and structures	1,618,933	15,259	-
Data processing equipment	8,711,348	446,081	-
Livestock and animals	137,493	-	-
Total Other Capital Assets	<u>59,093,500</u>	<u>5,687,534</u>	<u>(2,571,973)</u>
Accumulated Depreciation for:			
Furniture and fixtures	138,236	36,739	-
Equipment and machinery	8,239,076	642,152	-
Automobile	22,095,193	4,207,450	(2,539,723)
Aircraft	3,781,536	677,290	-
Buildings and structures	833,539	75,691	-
Data processing equipment	6,121,936	1,297,703	-
Livestock and animals	84,857	29,425	-
Total Accumulated Depreciation	<u>41,294,373</u>	<u>6,966,450</u>	<u>(2,539,723)</u>
Other Capital Assets, Net	<u>\$ 17,799,127</u>	<u>\$ (1,278,916)</u>	<u>\$ (32,250)</u>
Capital Assets Summary:			
Capital assets not being depreciated	\$ 14,394	\$ -	\$ -
Other capital assets, at cost	59,093,500	5,687,534	(2,571,973)
Total Cost of Capital Assets	<u>59,107,894</u>	<u>5,687,534</u>	<u>(2,571,973)</u>
Accumulated Depreciation	<u>(41,294,373)</u>	<u>(6,966,450)</u>	<u>2,539,723</u>
Capital Assets, Net	<u>\$ 17,813,521</u>	<u>\$ (1,278,916)</u>	<u>\$ (32,250)</u>

The Department does not have any debt related to capital assets at June 30, 2016. Depreciation expense for the Department amounted to \$6,966,450 and is considered a governmental activity and allocated to all governmental programs.

State of New Mexico Department of Public Safety
Notes to Financial Statements
June 30, 2016

NOTE 10 – CAPITAL ASSETS - CONTINUED

The capital assets activity for the year ended June 30, 2016, is as follows:

<u>Adjustments</u>	<u>Balance June 30, 2016</u>
\$ -	\$ 14,394
<hr/>	
\$ -	\$ 432,091
-	10,336,894
-	33,738,062
-	6,772,900
-	1,634,192
-	9,157,429
-	137,493
<hr/>	<hr/>
-	62,209,061
<hr/>	
-	174,975
-	8,881,228
-	23,762,920
-	4,458,826
-	909,230
-	7,419,639
-	114,282
<hr/>	<hr/>
-	45,721,100
<hr/>	
\$ -	\$ 16,487,961
<hr/>	
\$ -	\$ 14,394
-	62,209,061
<hr/>	<hr/>
-	62,223,455
<hr/>	
-	(45,721,100)
<hr/>	
\$ -	\$ 16,502,355
<hr/>	

State of New Mexico Department of Public Safety
Notes to Financial Statements
June 30, 2016

NOTE 11 – DUE TO STATE GENERAL FUND (REVERSIONS)

Section 6-5-10, NMSA 1978 requires all unreserved, undesignated fund balances in reverting funds and accounts to 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, 2016, are:

Fund Description	Fund Number	Sub-Total	Total	Due To	
				Bus Unit	Fund Number
General Fund	12800	\$ 563,686		34101	85300
State Forfeitures (CSA) Fund	34200	5,564		34101	85300
ARRA Fund	89000	<u>52</u>		34101	85300
		569,302			
	Grand Total of Reversions		<u>\$ 569,302</u>		

The Department’s total reversion for FY2016 to the State General Fund classified within transfers out due to the State General Fund of \$546,040.

State of New Mexico Department of Public Safety
Notes to Financial Statements
June 30, 2016

NOTE 12 – 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, 2016.

A summary of changes in the compensated absences payable for the year ended June 30, 2016, is as follows:

	Balance June 30, 2015	Increase	Decrease	Balance June 30, 2016
Compensated Absences Payable:				
Due within one year	\$ 2,299,967	\$ 2,758,410	\$ (2,588,865)	\$ 2,469,512
Due after one year	2,209,772	2,650,237	(2,487,340)	2,372,669
Total	<u>\$ 4,509,739</u>	<u>\$ 5,408,647</u>	<u>\$ (5,076,205)</u>	<u>\$ 4,842,181</u>

The general funds pay compensated absences.

NOTE 13 – LEASE COMMITMENTS

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

<u>Year ended June 30</u>	
2017	\$ 576,048
2018	455,095
2019	306,429
2020	249,886
2021	164,784
2022-2023	83,148
	<u>\$ 1,835,390</u>

During the year ended June 30, 2016, facilities and equipment rent expense were approximately \$631,618. 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 14 – CONTINGENT LIABILITIES AND JUDGMENTS

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

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

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

NOTE 15 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which 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.

NOTE 15 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN – CONTINUED

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

Funding Policy

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

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. Prior to July 1, 2010, all participating employers and employees contributed the same rates. Effective July 1, 2010, RHCA implemented two rate schedules for regular employees (non-enhanced) and State Police commissioned officers (enhanced) as follows:

<u>Non-Enhanced</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY15	2.000%	1.000%
FY16	2.000%	1.000%
 <u>Enhanced</u>	 <u>Employer Contribution Rate</u>	 <u>Employee Contribution Rate</u>
FY15	2.500%	1.250%
FY16	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.

NOTE 15 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN – CONTINUED

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, 2016, 2015 and 2014 were \$1,252,835, \$1,083,324, and \$1,056,419, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 16 - 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, 2013 through June 30, 2016.

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 ended June 30, 2016 and 2015, of \$4,760,133 and \$2,953,135 in insurance premiums, respectively. 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, 2016, 2015, and 2014, the Department had no claims for which the Risk Management Division has returned as "not covered" that would become the responsibility of the Department.

NOTE 17 – SUBSEQUENT EVENTS

The Department has evaluated events and transactions subsequent to June 30, 2016, through November 30, 2016, the date the financial statements were available for issuance, for possible recording or disclosure. In the opinion of management there are no significant matters to record or

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SUPPLEMENTARY INFORMATION

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures Budget and Actual (Modified Accrual Basis) -
By P-Code - General Fund**

Year Ended June 30, 2016

	Public Safety Program - Fund 12800 P503			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ 4,993,500	\$ 4,993,500	\$ 4,993,500	\$ -
Other appropriations	-	-	-	-
Federal funds	3,453,900	3,408,100	1,481,215	(1,926,885)
Other state funds	-	45,800	55,170	9,370
Other financing sources	350,000	350,000	-	(350,000)
Total Revenues	8,797,400	8,797,400	6,529,885	\$ (2,267,515)
Prior Year Fund Balance Budgeted	-	-		
Total Budgeted Revenues	\$ 8,797,400	\$ 8,797,400		
Expenditures:				
Personal services and benefits	\$ 4,429,000	\$ 4,296,605	3,843,697	\$ 452,908
Contract services	130,300	167,525	158,451	9,074
Other	4,238,100	4,333,270	2,509,725	1,823,545
Other financing uses	-	-	-	-
Total Budgeted Expenditures	\$ 8,797,400	\$ 8,797,400	6,511,873	\$ 2,285,527
Excess (Deficiency) of Revenue Over Expenditures			18,012	
GAAP basis reconciliation				
Reversion to State General Fund			(22,546)	
Net Change in Fund Balance			\$ (4,534)	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures Budget and Actual (Modified Accrual Basis) -
By P-Code - General Fund**

Year Ended June 30, 2016

Law Enforcement Program - Fund 12800 P504				
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ 98,910,300	\$ 98,910,300	\$ 98,910,300	\$ -
Other appropriations	1,265,600	1,265,600	1,265,600	-
Federal funds	10,231,100	10,983,159	8,207,876	(2,775,283)
Other state funds	2,896,800	4,409,659	2,324,811	(2,084,848)
Other financing sources	3,285,000	3,549,700	615,037	(2,934,663)
Total Revenues	116,588,800	119,118,418	111,323,624	\$ (7,794,794)
Prior Year Fund Balance Budgeted	-	-		
Total Budgeted Revenues	\$ 116,588,800	\$ 119,118,418		
Expenditures:				
Personal services and benefits	\$ 85,940,500	\$ 86,288,247	83,740,418	\$ 2,547,829
Contract services	3,305,700	4,312,696	2,837,013	1,475,683
Other	27,342,600	28,517,775	23,931,245	4,586,530
Other financing uses	-	-	-	-
Total Budgeted Expenditures	\$ 116,588,800	\$ 119,118,718	110,508,676	\$ 8,610,042
Excess (Deficiency) of Revenue Over Expenditures			814,948	
GAAP basis reconciliation				
Reversion to State General Fund			(469,533)	
Net Change in Fund Balance			\$ 345,415	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures Budget and Actual (Modified Accrual Basis) -
By P-Code - General Fund**

Year Ended June 30, 2016

	Statewide Law Enforcement Support Program - Fund 12800 P786			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ 11,091,700	\$ 11,091,700	\$ 11,091,700	\$ -
Other appropriations	-	-	-	-
Federal funds	1,316,800	2,450,300	1,375,979	(1,074,321)
Other state funds	2,096,000	2,605,000	2,609,698	4,698
Other financing sources	3,625,000	3,625,000	593,523	(3,031,477)
Total Revenues	18,129,500	19,772,000	15,670,900	\$ (4,101,100)
Prior Year Fund Balance Budgeted	-	-		
Total Budgeted Revenues	\$ 18,129,500	\$ 19,772,000		
Expenditures:				
Personal services and benefits	\$ 10,191,700	\$ 10,351,700	9,423,441	\$ 928,259
Contract services	2,526,000	2,607,000	1,689,410	917,590
Other	5,411,800	6,813,300	4,649,762	2,163,538
Other financing uses	-	-	-	-
Total Budgeted Expenditures	\$ 18,129,500	\$ 19,772,000	15,762,613	\$ 4,009,387
Excess (Deficiency) of Revenue Over Expenditures			(91,713)	
GAAP basis reconciliation				
Reversion to State General Fund			(48,345)	
Net Change in Fund Balance			\$ (140,058)	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures Budget and Actual (Modified Accrual Basis) -
By P-Code - General Fund**

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**State of New Mexico Department of Public Safety
Combining Balance Sheet - Non-Major Governmental Funds**

As of June 30, 2016

	State Chemist Fees Fund (27200)	State Forfeitures (CSA) Fund (34200)	Federal Forfeitures Fund US DOJ State Police (34300)	Peace Officers' Survival Fund (34600)
Assets:				
Interest in State General Fund Investment Pool	\$ 827,707	\$ 17,284	\$ 559,673	\$ 350,477
Cash in banks	-	-	-	-
Cash on hand	-	-	100,000	-
Trade receivables, net	-	-	-	-
Due from federal government, net	-	-	-	-
Due from State General Fund	-	-	-	-
Due from other state agencies	21,305	-	-	-
Due from local governments	-	-	-	-
Due from universities	-	-	-	-
Total Assets	\$ 849,012	\$ 17,284	\$ 659,673	\$ 350,477
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits payable	-	-	-	-
Unearned grant revenue	-	-	-	-
Due to other federal agencies	-	-	-	-
Due to the State General Fund	-	5,564	-	-
Due to other state agencies	-	-	-	-
Due to local governments	-	-	-	-
Due to universities	-	-	-	-
Total Liabilities	-	5,564	-	-
Deferred Inflows of Resources:				
Amounts unavailable (not received within period of availability)	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balance:				
Unrestricted	-	-	-	-
Non-Spendable:				
Petty cash and change funds	-	-	-	-
Cash in authorized bank and CD's	-	-	-	-
Flashroll	-	-	100,000	-
Spendable:				
Restricted	849,012	11,720	559,673	350,477
Total Fund Balance	849,012	11,720	659,673	350,477
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 849,012	\$ 17,284	\$ 659,673	\$ 350,477

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Combining Balance Sheet - Non-Major Governmental Funds**

Concealed Handgun Carry Fund (59400)	Orphan Materials Recovery Fund (67000)	Federal Forfeitures Fund US Treasury State Police (71990)	Law Enforcement Advanced Training Fund (78600)	Special Donations Fund (88200)	ARRA Fund (89000)
\$ 2,111,847	\$ 5,029	\$ 133,600	\$ 66,784	\$ 5,636	\$ 52
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	17,060	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 2,111,847	\$ 5,029	\$ 133,600	\$ 83,844	\$ 5,636	\$ 52
\$ 1,728	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	52
-	-	-	2,375	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,728	-	-	2,375	-	52
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,110,119	5,029	133,600	81,469	5,636	-
2,110,119	5,029	133,600	81,469	5,636	-
\$ 2,111,847	\$ 5,029	\$ 133,600	\$ 83,844	\$ 5,636	\$ 52

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Combining Balance Sheet - Non-Major Governmental Funds**

As of June 30, 2016

	Crime Stoppers Reward Fund (89400)	Total Special Revenue Funds
	<u> </u>	<u> </u>
Assets:		
Interest in State General Fund Investment Pool	\$ -	\$ 4,078,089
Cash in banks	21,043	21,043
Cash on hand	-	100,000
Trade receivables, net	-	17,060
Due from federal government, net	-	-
Due from State General Fund	-	-
Due from other state agencies	-	21,305
Due from local governments	-	-
Due from universities	-	-
Total Assets	<u><u>\$ 21,043</u></u>	<u><u>\$ 4,237,497</u></u>
Liabilities:		
Accounts payable	\$ -	\$ 1,728
Accrued salaries and benefits payable	-	-
Unearned grant revenue	-	-
Due to other federal agencies	-	-
Due to the State General Fund	-	5,616
Due to other state agencies	-	2,375
Due to local governments	-	-
Due to universities	-	-
Total Liabilities	<u><u>-</u></u>	<u><u>9,719</u></u>
Deferred Inflows of Resources:		
Amounts unavailable (not received within period of availability)	-	-
Total Deferred Inflows of Resources	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balance:		
Unrestricted	-	-
Non-Spendable:		
Petty cash and change funds	-	-
Cash in authorized bank and CD's	21,043	21,043
Flashroll	-	100,000
Spendable:		
Restricted	-	4,106,735
Total Fund Balance	<u><u>21,043</u></u>	<u><u>4,227,778</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 21,043</u></u>	<u><u>\$ 4,237,497</u></u>

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Combining Balance Sheet - Non-Major Governmental Funds**

STB Capital Outlay Fund (89200)	GF Capital Outlay Fund (93100)	Total Capital Projects Funds	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ 4,078,089
-	-	-	21,043
-	-	-	100,000
-	-	-	17,060
-	-	-	-
-	-	-	-
-	-	-	21,305
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,237,497</u>
\$ -	\$ -	\$ -	\$ 1,728
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	5,616
-	-	-	2,375
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>9,719</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	21,043
-	-	-	100,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,106,735</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,227,778</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,237,497</u>

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major
Governmental Funds**

Year Ended June 30, 2016

	State Chemist Fees Fund (27200)	State Forfeitures (CSA) Fund (34200)	Federal Forfeitures Fund US DOJ State Police (34300)	Peace Officers' Survival Fund (34600)
Revenues:				
Federal grants	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Forfeitures	-	5,564	-	-
Other program fees	273,492	-	5,424	477
Proceeds from sale of property	-	-	-	-
Total Revenues	273,492	5,564	5,424	477
Expenditures:				
Public safety				
Current				
Personal services and employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other costs	-	-	-	250,000
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	250,000
Excess (Deficiency) of Revenues Over Expenditures	273,492	5,564	5,424	(249,523)
Other Financing Sources (Uses):				
State General Fund Appropriations	-	-	-	-
Weight distance tax permit fund appropriations	-	-	-	-
Transfers: severance tax bond appropriations	-	-	-	-
Reversions	-	(5,564)	-	-
Interagency transfer in (out)	-	-	-	499,823
Interfund transfer in	-	-	-	-
Interfund transfer out	(296,362)	-	(614,015)	-
Total Other Financing Sources (Uses)	(296,362)	(5,564)	(614,015)	499,823
Change in Fund Balance	(22,870)	-	(608,591)	250,300
Fund balance, beginning	871,882	11,720	1,268,264	100,177
Fund balance, ending	\$ 849,012	\$ 11,720	\$ 659,673	\$ 350,477

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major
Governmental Funds**

Concealed Handgun Carry Fund (59400)	Orphan Materials Recovery Fund (67000)	Federal Forfeitures Fund US Treasury State Police (71990)	Law Enforcement Advanced Training Fund (78600)	Special Donations Fund (88200)	ARRA Fund (89000)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
479,493	-	2,667	128,480	-	-
-	-	-	-	-	-
479,493	-	2,667	128,480	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	25,250	-	-
-	-	-	-	-	-
-	-	-	25,250	-	-
479,493	-	2,667	103,230	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(52)
-	-	-	-	-	-
(275,400)	-	-	(21,761)	-	-
(275,400)	-	-	(21,761)	-	(52)
204,093	-	2,667	81,469	-	(52)
1,906,026	5,029	130,933	-	5,636	52
\$ 2,110,119	\$ 5,029	\$ 133,600	\$ 81,469	\$ 5,636	\$ -

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major
Governmental Funds**

Year Ended June 30, 2016

	Crime Stoppers Reward Fund (89400)	Total Special Revenue Funds
Revenues:		
Federal grants	\$ -	\$ -
State grants	-	-
Forfeitures	-	5,564
Other program fees	-	890,033
Proceeds from sale of property	-	-
Total Revenues	-	895,597
Expenditures:		
Public safety		
Current		
Personal services and employee benefits	-	-
Contractual services	-	-
Other costs	-	275,250
Capital outlay	-	-
Total Expenditures	-	275,250
Excess (Deficiency) of Revenues Over Expenditures	-	620,347
Other Financing Sources (Uses):		
State General Fund Appropriations	-	-
Weight distance tax permit fund appropriations	-	-
Transfers: severance tax bond appropriations	-	-
Reversions	-	(5,616)
Interagency transfer in	-	499,823
Interfund transfer in	-	-
Interfund transfer out	-	(1,207,538)
Total Other Financing Sources (Uses)	-	(713,331)
Change in Fund Balance	-	(92,984)
Fund balance, beginning	21,043	4,320,762
Fund balance, ending	\$ 21,043	\$ 4,227,778

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major
Governmental Funds**

STB Capital Outlay Fund	GF Capital Outlay Fund	Total Capital Projects	Total Non-Major Governmental
(89200)	(93100)	Funds	Funds
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	5,564
-	-	-	890,033
-	-	-	-
-	-	-	895,597
-	-	-	-
-	-	-	-
47,816	-	47,816	323,066
95,879	-	95,879	95,879
143,695	-	143,695	418,945
(143,695)	-	(143,695)	476,652
-	-	-	-
-	-	-	-
143,695	-	143,695	143,695
-	-	-	(5,616)
-	-	-	499,823
-	-	-	-
-	-	-	(1,207,538)
143,695	-	143,695	(569,636)
-	-	-	(92,984)
-	-	-	4,320,762
\$ -	\$ -	\$ -	\$ 4,227,778

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

State Chemist Fees - Fund 27200				
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	280,000	280,000	273,492	(6,508)
Other financing sources	-	-	-	-
Total Revenues	280,000	280,000	273,492	\$ (6,508)
Prior Year Fund Balance Budgeted	300,000	300,000		
Total Budgeted Revenues	\$ 580,000	\$ 580,000		
Expenditures:				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	-	-	-
Other financing uses	580,000	580,000	296,362	283,638
Total Budgeted Expenditures	\$ 580,000	\$ 580,000	296,362	\$ 283,638
Excess (Deficiency) of Revenue Over Expenditures			(22,870)	
GAAP basis reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			\$ (22,870)	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

Forfeitures (CSA) - Fund 34200				
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	35,000	35,000	5,564	(29,436)
Other financing sources	-	-	-	-
Total Revenues	35,000	35,000	5,564	\$ (29,436)
Prior Year Fund Balance Budgeted	-	-		
Total Budgeted Revenues	\$ 35,000	\$ 35,000		
Expenditures:				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	-	-	-
Other financing uses	35,000	35,000	-	35,000
Total Budgeted Expenditures	\$ 35,000	\$ 35,000	-	\$ 35,000
Excess (Deficiency) of Revenue Over Expenditures			5,564	
GAAP basis reconciliation				
Reversion to State General Fund			(5,564)	
Net Change in Fund Balance			\$ -	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

	Federal Forfeitures			
	U.S. DOJ - State Police - Fund 34300			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	1,500,000	1,500,000	5,424	(1,494,576)
Other financing sources	-	-	-	-
Total Revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>5,424</u>	<u>\$ (1,494,576)</u>
Prior Year Fund Balance Budgeted	<u>1,000,000</u>	<u>1,265,000</u>		
Total Budgeted Revenues	<u>\$ 2,500,000</u>	<u>\$ 2,765,000</u>		
Expenditures:				
Personal services and benefits	\$ -	\$ -	-	-
Contract services	-	-	-	-
Other	-	-	-	-
Other financing uses	2,500,000	2,765,000	614,015	2,150,985
Total Budgeted Expenditures	<u>\$ 2,500,000</u>	<u>\$ 2,765,000</u>	<u>614,015</u>	<u>\$ 2,150,985</u>
Excess (Deficiency) of Revenue Over Expenditures			(608,591)	
GAAP basis reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			<u>\$ (608,591)</u>	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

Peace Officers' Survival - Fund 34600				
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	477	477
Other financing sources	350,000	600,000	499,823	(100,177)
Total Revenues	350,000	600,000	500,300	\$ (99,700)
Prior Year Fund Balance Budgeted	-	-		
Total Budgeted Revenues	\$ 350,000	\$ 600,000		
Expenditures:				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	250,000	250,000	-
Other financing uses	350,000	350,000	-	350,000
Total Budgeted Expenditures	\$ 350,000	\$ 600,000	250,000	\$ 350,000
Excess (Deficiency) of Revenue Over Expenditures			250,300	
GAAP basis reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			\$ 250,300	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

Concealed Handgun Carry - Fund 59400				
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	315,000	315,000	479,493	164,493
Other financing sources	-	-	-	-
Total Revenues	315,000	315,000	479,493	\$ 164,493
Prior Year Fund Balance Budgeted	730,000	730,000		
Total Budgeted Revenues	\$ 1,045,000	\$ 1,045,000		
Expenditures:				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	-	-	-
Other financing uses	1,045,000	1,045,000	275,400	769,600
Total Budgeted Expenditures	\$ 1,045,000	\$ 1,045,000	275,400	\$ 769,600
Excess (Deficiency) of Revenue Over Expenditures			204,093	
GAAP basis reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			\$ 204,093	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

Orphan Materials Recovery - Fund 67000				
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Total Revenues	-	-	-	\$ -
Prior Year Fund Balance 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>	-	\$ -
Excess (Deficiency) of Revenue Over Expenditures				-
GAAP basis reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			<u>\$ -</u>	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

	Federal Forfeitures			
	U.S. Treasury - State Police - Fund 71990			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	500,000	500,000	2,667	(497,333)
Other financing sources	-	-	-	-
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>2,667</u>	<u>\$ (497,333)</u>
Prior Year Fund Balance Budgeted	<u>250,000</u>	<u>250,000</u>		
Total Budgeted Revenues	<u>\$ 750,000</u>	<u>\$ 750,000</u>		
Expenditures:				
Personal services and benefits	\$ -	\$ -	-	-
Contract services	-	-	-	-
Other	-	-	-	-
Other financing uses	750,000	750,000	-	750,000
Total Budgeted Expenditures	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>-</u>	<u>\$ 750,000</u>
Excess (Deficiency) of Revenue Over Expenditures			2,667	
GAAP basis reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			<u>\$ 2,667</u>	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

	Law Enforcement Advanced Training - Fund 78600			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	2,000,000	2,000,000	128,480	(1,871,520)
Other financing sources	-	-	-	-
Total Revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>128,480</u>	<u>\$ (1,871,520)</u>
Prior Year Fund Balance Budgeted	-	-		
Total Budgeted Revenues	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>		
Expenditures:				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	-	25,250	(25,250)
Other financing uses	2,000,000	2,000,000	21,761	1,978,239
Total Budgeted Expenditures	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>47,011</u>	<u>\$ 1,952,989</u>
Excess (Deficiency) of Revenue Over Expenditures			81,469	
GAAP basis reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			<u>\$ 81,469</u>	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

	Special Donations - Fund 88200			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Total Revenues	-	-	-	\$ -
Prior Year Fund Balance 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>	-	\$ -
Excess (Deficiency) of Revenue Over Expenditures				-
GAAP basis reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			<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
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

	ARRA - Fund 89000			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Total Revenues	-	-	-	\$ -
Prior Year Fund Balance 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>	-	\$ -
Excess (Deficiency) of Revenue Over Expenditures				-
GAAP basis reconciliation				
Reversion to State General Fund			(52)	
Net Change in Fund Balance			<u>\$ (52)</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
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

	Crime Stoppers Reward Fund Fund 89400			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Total Revenues	-	-	-	\$ -
Prior Year Fund Balance 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>	-	\$ -
Excess (Deficiency) of Revenue Over Expenditures				-
GAAP basis reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			<u>\$ -</u>	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

	STB Capital Outlay Fund Fund 89200			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	143,695	143,695
Total Revenues	-	-	143,695	\$ 143,695
Prior Year Fund Balance Budgeted	-	-		
Total Budgeted Revenues	<u>\$ -</u>	<u>\$ -</u>		
Expenditures:				
Personal services and benefits	\$ -	\$ -	-	\$ -
Contract services	-	-	-	-
Other	-	-	143,695	(143,695)
Other financing uses	-	-	-	-
Total Budgeted Expenditures	<u>\$ -</u>	<u>\$ -</u>	143,695	\$ (143,695)
Excess (Deficiency) of Revenue Over Expenditures				-
GAAP basis reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			<u>\$ -</u>	

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Statement of Revenues and Expenditures - Budget and Actual (Modified Accrual Basis) - Non-Major Funds**

Year Ended June 30, 2016

	GF Capital Outlay Fund Fund 93100			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other appropriations	-	-	-	-
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Other financing sources	-	-	-	-
Total Revenues	-	-	-	\$ -
Prior Year Fund Balance 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>	-	\$ -
Excess (Deficiency) of Revenue Over Expenditures				-
GAAP basis reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			<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.

OTHER INFORMATION - SCHEDULES REQUIRED UNDER 2.2.2 NMAC

**State of New Mexico Department of Public Safety
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds**

As of June 30, 2016

	DNA Fund (40200)	Evidence Fund (10560)	Governmental Gross Receipts Tax Fund (78700)	Total
Assets:				
Interest in State General Fund Investment Pool	\$ 228,070	\$ -	\$ -	\$ 228,070
Cash on hand	-	139,780	-	139,780
Total Assets	\$ 228,070	\$ 139,780	\$ -	\$ 367,850
Liabilities:				
Assets held for others	\$ 228,070	\$ 139,780	\$ -	\$ 367,850
Total Liabilities	\$ 228,070	\$ 139,780	\$ -	\$ 367,850

**State of New Mexico Department of Public Safety
Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds**

As of June 30, 2016

	Balance June 30, 2015	Additions	(Deductions)	Balance June 30, 2016
DNA Fund (40200)				
Assets:				
Interest in State General Fund Investment Pool	\$ 249,786	\$ -	\$ (21,716)	\$ 228,070
Liabilities:				
Assets held for others	\$ 249,786	\$ -	\$ (21,716)	\$ 228,070
Evidence Fund (10560)				
Assets:				
Cash on hand	\$ 139,780	\$ -	\$ -	\$ 139,780
Liabilities:				
Assets held for others	\$ 139,780	\$ -	\$ -	\$ 139,780
Governmental Gross Receipts Tax Fund (78700)				
Assets:				
Interest in State General Fund Investment Pool	\$ -	\$ -	\$ -	\$ -
Liabilities:				
Assets held for others	\$ -	\$ -	\$ -	\$ -
Total Agency Funds				
Assets:				
Interest in State General Fund Investment Pool	\$ 249,786	\$ -	\$ (21,716)	\$ 228,070
Cash on hand	139,780	-	-	139,780
Total Assets	\$ 389,566	\$ -	\$ (21,716)	\$ 367,850
Liabilities:				
Assets held for others	\$ 389,566	\$ -	\$ (21,716)	\$ 367,850

**State of New Mexico Department of Public Safety
Supplemental Schedule of Severance Tax Bonds**

As of June 30, 2016

<u>Laws</u>	<u>Chapter</u>	<u>Bonds Appropriated</u>	<u>Bonds Sold</u>	<u>Amounts AIPP</u>	<u>Funds Reauthorized</u>
2015	3	<u>\$ 144,000</u>	<u>\$ 144,000</u>	<u>\$ -</u>	<u>\$ -</u>

**State of New Mexico Department of Public Safety
 Supplemental Schedule of Severance Tax Bonds**

<u>Funds Reverted</u>	<u>Bond Balance After Reauthorization</u>	<u>Funds Received</u>	<u>Expended To Date</u>	<u>Balance Available</u>	<u>Due from Board of Finance</u>
\$ -	\$ 144,000	\$ 143,695	\$ 143,695	\$ 305	\$ -
				Balance Available	\$ 305
				Due from Board of Finance	<u>-</u>
				Total	<u>\$ 305</u>

**State of New Mexico Department of Public Safety
Supplemental Schedule of Special Appropriations**

As of June 30, 2016

The schedule below represents the status of special appropriations made by the New Mexico State Legislature.

	Program Area	Fund Department	Reversion Date*	Amount Appropriated	Amount Budgeted
Special Appropriation:					
Laws 2014, 2nd Session, Chapter 63, Section 5, item 069 (Vehicle Appropriation)	P504-LEP	Z40569	June 30, 2015	\$ 400,000	\$ 400,000
Laws 2014, Chapter 63, Section 7, Item 019 (AFIS Hardware/ Software)	P781-SLESP	Z40719	June 30, 2017	\$ 160,000	\$ 160,000
Laws 2013, Chapter 227, Section 7, Item 019; Laws 2015, Chapter 101, Section 7, item 025 (CAD/RMS)	P504-LEP/SLESP	Z30719	June 30, 2017	\$ 2,850,000	\$ 2,850,000
Laws 2013, Chapter 227, Section 7, Item 020-Repurposed in Laws 2015, Chapter 101, Section 7, item 025 (CAD and RMS)	P504-LEP/SLESP	Z30720	June 30, 2017	\$ 450,000	\$ 450,000
Laws 2014, Chapter 63, Section 7, Item 020-Repurposed in Laws 2015, Chapter 101, Section 7, item 025 (CAD and RMS)	P504-LEP/SLESP	Z40720	June 30, 2017	\$ 550,000	\$ 100,000
Laws 2015, 1st Session, Chapter 101, Section 5, item 053 (Vehicle Appropriation)	P504-LEP	Z50553	June 30, 2016	\$ 1,355,000	\$ 1,355,000
Laws 2015, Chapter 101, Section 7, item 024 (Project Planning for RFP)	P504-LEP/SLESP	Z50724	June 30, 2017	\$ 250,000	\$ 250,000
Laws 2016, Chapter 11, Section 5, Item 46- Latent Fingerprint Case Work (contractor for backlogged cases)	P786 - SLES	ZA0546	June 30, 2017	\$ 315,000	\$ 315,000
Laws 2016, Chapter 11, Section 5, Item 47 - for processing backlogged Rape Kits	P786 - SLES	ZA0547	June 30, 2017	\$ 1,200,000	\$ 1,200,000
Laws 2016, Chapter 11, Section 5, Item 48 - to replace Law Enforcement Breath instruments	P504-LEP	ZA0548	June 30, 2017	\$ 100,600	\$ 100,600
Laws 2016, Chapter 11, Section 7, Item 20 - to enhance consolidated offender query database for criminal history clearing house	P786 - SLES	ZA0619	DFA declined during Austerity	\$ 110,000	\$ -
Total Special Appropriations				\$ 7,740,600	\$ 7,180,600

* The appropriation reverts on the following date unless re-authorized or extended by enabling legislation.

**State of New Mexico Department of Public Safety
Supplemental Schedule of Special Appropriations**

Re-Appropriation	Adjusted Budget	Funds Received	Expenditures Prior Year	Expenditures Current Year	Total Expenditures	Funds Reverted	Appropriation Balance
\$ -	\$ 400,000	\$ 400,000	\$ -	\$ 399,259	\$ 399,259	\$ 741	\$ -
\$ -	\$ 160,000	\$ 160,000	\$ -	\$ 159,300	\$ 159,300	\$ -	\$ 700
\$ -	\$ 2,850,000	\$ 2,850,000	\$ -	\$ 755,646	\$ 755,646	\$ -	\$ 2,094,354
\$ -	\$ 450,000	\$ 450,000	\$ -	\$ 352,411	\$ 352,411	\$ -	\$ 97,589
\$ -	\$ 100,000	\$ 100,000	\$ -	\$ 95,914	\$ 95,914	\$ -	\$ 4,086
\$ -	\$ 1,355,000	\$ 1,355,000	\$ -	\$ 1,354,986	\$ 1,354,986	\$ -	\$ 14
\$ -	\$ 250,000	\$ 250,000	\$ -	\$ 19,409	\$ 19,409	\$ -	\$ 230,591
\$ -	\$ 315,000	\$ 315,000	\$ -	\$ 54,000	\$ 54,000	\$ -	\$ 261,000
\$ -	\$ 1,200,000	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000
\$ -	\$ 100,600	\$ 100,600	\$ -	\$ 98,605	\$ 98,605	\$ -	\$ 1,995
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 7,180,600	\$ 7,180,600	\$ -	\$ 3,289,530	\$ 3,289,530	\$ 741	\$ 3,890,329

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Supplemental Schedule of Individual Bank Accounts**

As of June 30, 2016

Name of Depository	Account Name	SHARE Fund No.
Governmental Fund Types:		
General Fund:		
New Mexico State Treasurer	Department of Public Safety	12800
Wells Fargo Bank	Special Investigations Alcohol Contingency	12800
Wells Fargo Bank	Special Investigations Tobacco Contingency	12800
Bank of America	NM State Police Investigations Contingency	12800
Wells Fargo Bank	Petty Cash and Change Funds	12800
Wells Fargo Bank	Motor Transportation Department	12800
Total General Fund Cash		
Special Revenue Funds:		
New Mexico State Treasurer	State Chemist Fees Fund	27200
New Mexico State Treasurer	State Forfeitures (CSA) Fund	34200
New Mexico State Treasurer	Federal Forfeitures Fund - USDOJ	34300
New Mexico State Treasurer	Peace Officers' Survival Fund	34600
New Mexico State Treasurer	Concealed Handgun Carry Fund	59400
New Mexico State Treasurer	Orphan Materials Recovery Fund	67000
New Mexico State Treasurer	Federal Forfeitures Fund - US Treasury	71990
New Mexico State Treasurer	Law Enforcement Advanced Training Fund	78600
New Mexico State Treasurer	Special Donations Fund	88200
New Mexico State Treasurer	ARRA Fund	89000
Bank of America	Federal Forfeitures Fund - USDOJ	34300
Bank of America	Crime Stoppers Reward Fund	89400
Total Special Revenue Funds		
Capital Projects:		
Total Capital Projects Funds		
Total Governmental Fund Types		
Fiduciary Fund Types:		
Agency Funds		
New Mexico State Treasurer	DNA Fund	402000
New Mexico State Treasurer	Evidence Fund	105600
Total Agency Funds		
Total Cash		

**State of New Mexico Department of Public Safety
Supplemental Schedule of Individual Bank Accounts**

<u>Type of Account</u>	<u>Interest Bearing</u>	<u>Bank Balance at June 30, 2016</u>	<u>Reconciled Balance at June 30, 2016</u>
State Treasury	No	\$ 10,707,315	\$ 10,707,315
Checking	No	50,000	50,000
Checking	No	50,000	50,000
Checking	Yes	50,000	50,000
Cash on Hand	N/A	-	10,050
Short Term Investments	Yes	5,332	5,332
		<u>10,862,647</u>	<u>10,872,697</u>
State Treasury	No	827,707	827,707
State Treasury	No	17,284	17,284
State Treasury	Yes	559,673	559,673
State Treasury	Yes	350,477	350,477
State Treasury	No	2,111,847	2,111,847
State Treasury	No	5,029	5,029
State Treasury	Yes	133,600	133,600
State Treasury	No	66,784	66,784
State Treasury	No	5,636	5,636
State Treasury	No	52	52
Cash in Vault	N/A	-	100,000
Checking	No	21,043	21,043
		<u>4,099,132</u>	<u>4,199,132</u>
		-	-
		<u>14,961,779</u>	<u>15,071,829</u>
State Treasury	No	228,070	228,070
Cash on Hand	N/A	-	139,780
		<u>228,070</u>	<u>367,850</u>
		<u>\$ 15,189,849</u>	<u>\$ 15,439,679</u>

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Type	Contract Number	Contractor	FY16
PSC	15 350 0050 0028	Architectural Research	\$ 41,178
PSC	16-790-4001-0025	Architectural Research	\$ 10,657
PSC	16-790-1000-0001	Atkinson & Co., Ltd	\$ 80,250
PSC	16-790-1000-0001 Amendment One	Atkinson & Co., Ltd	\$ 31,225
PSC	16-790-9205-0005	Brian Bullard	\$ 50,000
PSC	14-790-4060-0001	Concentra (PSC)	Total for 4 years 800K. FY16: \$25,001 NMSP; \$2,830 METHCOPS
PSC	16-790-4060-0009	Dr. Susan Cave	\$ 50,000
PSC	16 790 4030 0002	Dr. Lori Martinez-Conticelli	\$ 45,960
PSC	16-790-15-01147 SERVICES CANNOT BE INTERRUPTED	Computer Proj of Illinois	\$ 227,137
PSC	15-790-4060-0013	EMS Aspects LLC (PSC)	\$ 3,992
PSC	16-790-Z307-0013	Geo-Comm Inc.	\$ 47,638
PSC	15-790-8020-0019	Hartman & Majewski	\$ -
PSC	50-790-14-01138 SERVICES SHOULD NOT BE INTERRUPTED	Intelligent Imaging Systems (IT PSC)	\$488,999 contract total; FY16 amt is \$285,249
PSC	16-790-5010-0019 SERVICES SHOULD NOT BE INTERRUPTED	Intelligent Imaging Systems (IT PSC)	\$498,999 contract total; FY16 amt \$207,916
PSC	16-790-5010-0012	Intelligent Imaging Systems (IT PSC)	\$ 20,000
PSC	40-000-14-00110	Intergraph Corporation	TOTAL: \$2,940,163; FY16: \$755,646; FY17: \$822,321; FY18: \$644,521; FY19: \$353,534; FY20: \$364,140. FY19 and FY20 is maintenance.
PSC	16-790-9110-0008	Life Technologies	\$ 120,000
PSC	16-790-5010-0018	LouKa Tactical Training	\$ 10,299
PSC	16-790-1030-0003	Momentum	\$ 120,000
PSC	16-790-15-01154 SERVICES CANNOT BE INTERRUPTED	Morphotrak (IT PSC)	\$ 531,272

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Description of Services	Effective Date	End Date	Program	Contractor Origin
Study of strategic operations for DPS facilities located in Albuquerque area	6/2/15	6/1/16	NMSP	NM
Assess the need and provide justification for new DPS central dispatch facility in Abq Metro Area	6/2/16	12/31/16	NMSP	NM
Audit Services	7/1/15	6/30/16 (two years renewal option available one year at a time)	ASD	NM/RFP
Additional hours to complete the DPS FY15 Audit	3/24/16	6/30/16	ASD	NM/RFP
Assist with Installation/Implementation of TRACS 10 Software	11/4/15	11/3/16	IT	NM
Medical Exams	12/19/13	12/18/17	NMSP	NM/RFP
Psychological Exams	10/1/15	9/30/16	NMSP	NM
Police Officer Support Team (POST) Psychologist	7/1/15	6/30/16	NMSP	NM
NMLETS Maintenance	7/1/15	6/30/16	IT	Illinois/ Sole Source
Provide American Heart Assoc AED w/First Aid courses (66) overall-AED Implementation-Quality Assurance-Medical Direction	12/8/14	12/7/15	NMSP	NM
Provide assessment and reports on quality of NM Existing Road Centerline Layer GIS data and Address Datasets. Determine readiness to incorporate those data into the new CAD system.	11/17/15	5/16/16	IT	Minnesota
Plans and estimate for changes to Texico POE	5/19/15	9/30/15	MTB	NM
Maintenance on MTPD Smart Portals	2/1/15	1/31/16	MTB	Canada/ Sole Source
Smart Roadside Maintenance	2/1/16	1/31/17	MTB	Canada/ Sole Source
Automated Thermal Inspection System (ATIS) Commissioning	9/25/15	3/24/16	MTB	Canada/ Sole Source
Computer Aided Dispatch (CAD) Implementation	12/7/15	12/6/19	NMSP	Alabama/ RFP
DNA Validation Forensic Lab	12/15/15	12/14/19	TSD	California/ RFP
"Building Warrior Women for Women in Public Safety" Course	1/29/16	6/30/16	NMSP	NV
SHARE Grants & Projects Billing Production Support	12/7/15	12/19/16	ASD	NM
AFIS Maintenance	7/1/15	6/30/16	TSD	Washington/ Sole Source

**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Type	Contract Number	Contractor	FY16
PSC	PSC 50-79000-15-01141 8 year SOLE SOURCE (Four year contract, with four years additional option)	Morphotrak (IT) FOUR YEAR CONTRACT WITH FOUR YEAR OPTION TO RENEW FOR A TOTAL OF EIGHT YEARS	Total contract \$2,522,836; \$630,709 per year for four years incl GRT; none in FY16
PSC	16-790-5010-0015	Motorola (IT PSC)	Total contract \$471,694; FY16, \$65,513; FY17, \$268,603; FY18, \$137,577
PSC	16-790-0022	MTG Management Consultants	\$ 52,421
PSC	16-790-9310-0011 (THIS CONTRACT REQUIRED BOTH PERA AND ATTORNEY GENERAL APPROVAL)	Penny Ryan	\$ 12,998
PSC	16-790-Z307-0016	POD Inc.	\$ 128,060
PSC	PSC 16-790-4070-0021	Professional Law Enforcement Training (PSC)	\$ 6,950
PSC	30-790-00-01026 CONTRACT WILL COVER MAINTENANCE OUT TO 3/8/18; NEW CONTRACT WILL BE REQUIRED TO CONTINUE MAINTENANCE BEYOND THAT	ProMiles Software Development Corp (PSC)	FY16 amt \$140,541; total contract is \$1,434,752
PSC	16-790-4060-0010	Public Safety Psychology	\$ 25,000
PSC	16 790 4060 0006	Public Safety Psychology	\$ 50,000
PSC	16-790-4020-0020	Revord	\$ 14,063
PSC	16-790-5520-0004	Constance Shugren	\$ 14,445
PSC	15-790-0009	Ron Smith & Associates, Inc. (PSC)	\$54,000 in FY16
PSC	16-790-9150-0017	Sheehan & Sheehan P.A.	\$ 10,000
PSC		Sheehan & Sheehan P.A. (PSC Amendment One)	\$ (3,926)
PSC	16-790-4030-0007	T S Hazmat dba Signet North America (PSC)	\$ 35,873
PSC	15-790-4020-0018 (THIS CONTRACT REQUIRED PERA APPROVAL)	Universal Investigation Svcs (PSC)	\$ 7,994
PSC	15-790-4020-0018 Amendment One (THIS CONTRACT AMENDMENT REQUIRED PERA APPROVAL)	Universal Investigation Svcs (PSC), Amendment One	\$ 12,864

**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Description of Services	Effective Date	End Date	Program	Contractor Origin
MorphoBis Upgrade and Offsite Hosting of AFIS system	4/22/16	4/21/20	TSD	California/ Sole Source
CAD Maintenance	4/1/16	12/31/17	MTB/NMSP	Colorado/ Sole Source
Records Management System (RMS) Analysis	4/27/16	6/30/16	IT	WA
Coordinate and provide Crash Investigation & Emergency Vehicle Operation (EVO) Training Curriculum and Classes	10/22/15	6/30/16	TRD	NM
CAD Project IV&V	12/9/15	6/30/17	IT	NM/ Statewide Price Agmmt
Criminal Investigation Techniques and "Failures in Criminal Investigations" course	5/2/16	6/30/16	NMSP	TX
Permitting System MTPD; FY16 PO is for Deliverable 11: Year 2 of Hosting and Maintenance	5/29/14	5/28/18	MTB	Texas/ RFP
Incident debriefing/counseling to officers and immediate family after Use of Force Incident	11/2/15	6/30/16	NMSP	NM
Psychological exams/Recruit Screenings	11/4/15	6/30/16	NMSP	NM
Re-Configure servers/new architecture to support voice recordings sys for Comm Centers	3/16/16	8/31/16	NMSP	Texas
Public Safety Telecommunicator (PST) Courses	7/1/15	6/30/16	TRD	NM
Examination of Latent Finger Print Cases Work for TESD at SF lab	2/25/15	2/24/19	TSD	Mississippi/ RFP
Hearing Officer/Public Rulemaking activities to include review for legal propriety, public hearings	1/4/16	1/3/17	ASD/NMSP/MT B	NM
Hearing Officer/Public Rulemaking activities to include review for legal propriety, public hearings	1/4/16	1/3/17	ASD	NM
Three (3) three-day groups of "The Hazardous Materials Safety Officer" Course	8/14/15	6/30/16	NMSP	Colorado
Background Investigations	5/19/15	5/18/16	NMSP/MTB	NM
Background Investigations	1/11/16	5/18/16	NMSP/MTB	NM

**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Type	Contract Number	Contractor	FY16
PSC	15-790-4020-0018 Amendment One (THIS CONTRACT AMENDMENT REQUIRED PERA APPROVAL)	Universal Investigation Svcs (PSC), Amendment Two	\$ 6,075
PSC	16-790-4020-0023	Universal Investigation Svcs (PSC)	\$40,000; \$13,000 in FY16
PSC	50-790-14-01128 SERVICES CANNOT BE INTERRUPTED	Watch Systems (IT PSC)	\$150,000 contract total; \$125,000 in FY16
PSC	60-790-16-01193 SERVICES CANNOT BE INTERRUPTED	Watch Systems (IT SPD)	\$150,000 contract total; \$25,000 in FY16
PSC	16-790-9150-0014	Weiner & Company PC	\$ 54,156
PSC	PSC 16-790-9150-0024 EMERGENCY	Weiner & Company PC	\$ 15,000
MOU		49th Security Forces Squadron (49 SFS)/Holloman AFB/Otero County Sheriff/Alamogordo DPS (MOU)	\$ -
MOU		49th Security Forces Squadron (49 SFS)/Holloman AFB (MOU)	\$ -
MOU		377th Airbase Wing/Kirtland AFB (MOU)	\$ -
MOU		Albuquerque Convention Center (MOU)	\$5,000 (money in)
MOU		ABC Entertainers Plus Promotions LLC (MOU)	\$8,640 (money in)
MOU		Administrative Office of Courts (AOC)/Judicial Info Division (JID) (MOU)	\$ 8,000
MOU		Administrative Office of Courts (AOC) (MOU)	\$ 7,500
MOU		Administrative Office of Courts (AOC) (MOU) 2016-0561	\$50,000 (money in)
MOU		Air Force Rescue Coordination Center (AFRCC) (MOU)	\$ -
MOU		AUI (MOU)	\$50,000 (money in)
MOU		SAR Coordinator for Inland Region in support of Natl Search & Rescue Plan (MOA) (in coordination w/above MOU AFRCC)	\$ -
MOU		Albuquerque Police Dept (MOU)	\$ -
MOU		Albuquerque Police Dept (MOU)	\$ -
MOU		Albuquerque Police Dept/Bernalillo County Sheriff's Office/NM State Police/Rio Rancho Police Dept (MOU)	\$ -
MOU		Arizona Gangnet DPS (MOU)	\$ -
MOU		Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	\$10,000 (money in)
MOU		Constructors Inc.	\$ 38,000
MOU		CYFD (MOU)	\$ -
MOU		Corrections Dept/DPS/DNA Identification System Oversight Comm (MOU)	\$ -
MOU		Defense Logistics Agency-Dept of Defense (DOD) (MOA)	\$ -

See Report of Independent Certified Public Accountants

**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Description of Services	Effective Date	End Date	Program	Contractor Origin
Background Investigations	5/9/16	5/18/16	NMSP/MTB	NM
Background Investigations	5/19/16	5/18/17	NMSP/MTB	NM
Maintenance of OffenderWatch Sex Offender Registration System	5/1/15	4/30/16	TSD	Louisiana/ Sole Source
Maintenance of OffenderWatch Sex Offender Registration System	5/1/16	4/30/17	TSD	Louisiana/ Sole Source
Assist and advise Finance and Grants Management Bureaus with various financial issues to facilitate finishing the Agency audit	11/19/15	6/30/16	ASD	NM
Prepare or assist with preparation of Financial Statements, Schedules, SEFA. Final review of financials. Assist with responses to findings as needed.	4/1/16	6/30/16	ASD	NM
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	NMSP	
Procedure for response to requests from HAFB for support of Air Force Special Reaction Team and Emergency Svcs Team	10/14/15	10/13/18	NMSP	
Establishing written procedures concerning cooperation/coordination of effort in criminal investigations	2/4/14	Upon 60 day notice	NMSP	
State Police presence at events	6/23/15	1/1/16	NMSP	
Spectator Observation and/or Law Enforcement services	11/5/14	12/1/15	NMSP	
Operating Transfer of 8K for Authentication software update to existing multi-discipline criminal justice database (Records)	6/5/13	Upon transfer	NMSP	
DWI Bench Warrant Roundups	12/15/15	1/31/16	NMSP	
Warrant Roundups/Surrender Events	2/11/16	6/30/16	NMSP	
To delineate op procedures pursuant to the SAR Agreement MOA betw NM and Inland SAR Coordinator	9/5/12	Upon notice	NMSP	
Traffic Enforcement NM 47 (NB and SB) MM 31.0-32.8	2/16/16	12/31/16	NMSP	
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	NMSP	
Use of Abq PD Firing Range	4/7/10	Indefinite	NMSP	
Cross-commission two APD officers to enforce Liquor Control Act		Indefinite	NMSP	
Officer Involved shooting/Serious Use of Force/In Custody Death Investigative Task Force	10/8/14	Indefinite	NMSP	
Gang & Immigration Intelligence Team Enforcement Mission	1/8/13	90 day notice	NMSP	
DPS Participation in ATF Task Force. Assist ATF in investigations of Federal, State and Local Laws.	3/24/16	9/30/20	NMSP	
Traffic Control US Hwy 285 located MP 0.000 and 11.000 in Eddy County, NM	6/24/16	11/30/16	NMSP	
Formalize DPS access to CYFD FACTS Protective Service & Juvenile Justice Division databases	3/22/16	7/1/19	NMSP	
Procedure for continued collection/deposit/distribution of DNA fees	11/24/14	Upon notice	TSD	
Disposition of DOD excess personal property (NEW ONE JUNE 2016 supersedes this one)	1/30/14	Upon notice	NMSP	

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**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Type	Contract Number	Contractor	FY16
MOU		Defense Logistics Agency-Dept of Defense (DOD) (MOA)	\$ -
MOU		Dept of Info Tech NM (DoIT) (MOU)	\$ -
MOU		Drivewyze (MOU)	\$ -
MOU		El Paso Police Department (MOU)	\$ -
MOU		FBI (MOU)	\$ -
MOU		FBI (MOU)	\$ -
MOU		FBI (MOU)	\$ -
MOU		Fisher Sand & Gravel (MOU)	\$10,000 (money in)
MOU		Fisher Sand & Gravel (MOU)	\$10,000 (money in)
MOU		Fisher Sand & Gravel (MOU)	\$10,000 (money in)
MOU		Fisher Sand & Gravel (MOU)	\$24,000 (money in)
MOU		Fisher Sand & Gravel (MOU)	\$ -
MOU		Fisher Sand & Gravel (MOU)	\$15,000 (money in)
MOU		Fisher Sand & Gravel (MOU)	\$23,000 (money in)
MOU		FNF Construction (MOU)	\$20,000 (money in)
MOU		FNF Construction (MOU) Amendment One	\$65,000 (money in)
MOU		Human Services Dept (MOU)	\$20,000 (money in)
MOU		Immigration & Customs Enforcement (ICE) (MOU)	\$16,500/officer/ year
MOU		Judicial Education (JEC) - UNM (MOU)	\$60.00/hour up to \$9,600 (money in)
MOU		Judicial Education (JEC) - UNM (MOU)	\$9,600 (money in)
MOU		Las Cruces Police Dept, Special Response Team (SWAT) (MOU)	\$ -
MOU		La Tuna Correctional Facility (MOU)	\$ -
MOU		Los Alamos Site Office-Natl Nuclear Security Admin-DOE-LA County Police (MOU)	\$ -
MOU		Mid Region Council of Governments/DOT/City of Abq/Bernalillo County/City of Rio Rancho (MOU)	\$ -
MOU		Mountain States Constructors (MOU)	\$50,000 (money in)
MOU		Mountain States Constructors (MOU)	\$55,000 (money in)
MOU		Mountain States Constructors (MOU)	\$30,000 (money in)
MOU		NM Game & Fish (MOU)	\$250,000 (revenue)
MOU		NM State Fair Comm (MOU)	\$38.00/hr (money in)
MOU		Operation Stonegarden/Dona Ana County NMSP (MOU)	\$126,871 (money in)
MOU		Operation Stonegarden/Dona Ana County NMSP (MOU)	\$ (31,940)
MOU		Operation Stonegarden/Dona Ana County NMSP (MOU)	\$136,028 (money in)
MOU		Operation Stonegarden/Dona Ana County MTPD (MOU)	\$111,740 (money in)

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**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Description of Services	Effective Date	End Date	Program	Contractor Origin
Disposition of DOD excess personal property	6/15/16 DPS signed	Upon notice	NMSP	
Loan of DPS owned vehicle for DoIT to use to reach hard to access locations for Law Enforcement communications	5/2/12	Indefinite	IT	
Operation Field Tests of Drivewyze technology/Commercial vehicle bypass program/MTPD	9/6/12	Upon notice	MTPD	
Agreement for the purpose of enabling latent print searches through each parties' AFIS	9/30/14	1 year w/automatic renewal	IT	
Understanding re transmitting, receiving, and storage of info in NCIC system	4/11/08	Indefinite	IT	
Safe Streets Violent Gang Task Force (SSVGTF)	6/26/13	Upon Notice	NMSP	
Participation in Regional Computer Forensics Lab (RCFL)	12/15/09	Upon Notice	NMSP	
Traffic Control in construction zone	5/22/15	9/1/15	NMSP	
Traffic Control in construction zone I40	6/15/15	9/1/15	NMSP	
Traffic Control in construction zone I25 MP 334-338	4/22/16	9/1/16	NMSP	
Traffic Control in construction zone I40 MP 281-286	5/5/16	9/1/16	NMSP	
Amendment One to 5/5/16 MOU changing compensation rate to \$60.00/hour	5/5/16	9/1/16	NMSP	
Traffic Control NM 64 MP 393-399	6/3/16	9/1/16	NMSP	
Traffic Control NM 64 MP 305-310	6/3/16	9/1/16	NMSP	
Traffic Control in construction zone I25/NM14/Cerrillos Roads	8/17/15	12/31/16	NMSP	
Traffic Control in construction zone I25/NM14/Cerrillos Roads; amendment to increase funds	12/7/15	12/31/16	NMSP	
Bench Warrant Round-Up	8/19/15	6/30/16	NMSP	
Procedure/terms for reimbursement from ICE of costs incurred by DPS in providing resources to joint operations/task forces	2/17/10	Indefinite	NMSP	
Security at several Judges Conferences	2/2/15	12/30/15	NMSP	
Security at several Judges Conferences	1/11/16	12/31/16	NMSP	
Mutual law enforcement assistance at special situations	7/5/11	Upon Notice	NMSP	
Mutual Emergency Assistance	8/17/15	8/16/20	NMSP	
Cooperative agreement re procedures for off-site pursuit/recovery of missing Special Nuclear Materials (SNM)	1/17/13	1/16/18	NMSP	
Coordinate efforts to establish a Regional Transportation Management Ctr	12/3/13 DPS signed	6 years	NMSP	
Traffic Control at I40 @ Coors MP154.5 to MP 156	5/29/15	11/1/15	NMSP	
Traffic Control at I25 MP 189.7-193	8/27/15	12/31/15	NMSP	
Traffic Control at US64 San Juan County (NB and/or SB)	1/25/16	3/20/17	NMSP	
Computer Aided Emergency Dispatch Services	11/5/15	11/4/17	NMSP/IT	
Provide assistance & security at State Fairground events (other than the State Fair)	6/30/08	Indefinite	NMSP	
Support activities to prepare for, prevent, and respond to terrorist attacks and other all-hazardous events	9/1/14	8/30/15	NMSP	
Amendment One decreasing funds from original amt of \$126,871.03 to \$94,931.16 - Dona Ana MOU number 14-160-A1/NMSP	9/8/15	8/30/15	NMSP	
Support activities to prepare for, prevent, and respond to terrorist attacks and other all-hazardous events. Increased border security and protection.	9/25/15	8/31/16	NMSP	
Support activities to prepare for, prevent, and respond to terrorist attacks and other all-hazardous events	9/1/14	8/30/15	MTPD	

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**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Type	Contract Number	Contractor	FY16
MOU		Operation Stonegarden Dona Ana County MTPD (MOU)	\$ (28,146)
MOU		Operation Stonegarden/MTPD County of Hidalgo (MOU)	\$224,755 (money in)
MOU		Operation Stonegarden Hidalgo County (MOU)	\$131,492 (money in)
MOU		Operation Stonegarden Hidalgo County (MOU)	\$284,893 (money in)
MOU		Operation Stonegarden Hidalgo County (MOU)	\$150,000 (money in)
MOU		Operation Stonegarden Luna County (MOU)	\$295,175 (money in)
MOU		Operation Stonegarden Luna County (MOU) Amendment One	\$ -
MOU		Operation Stonegarden Luna County (MOU)	\$236,783 (money in)
MOU		Region III Drug Task Force/HIDTA (MOU) (new one working May 2016 to replace this one)	\$ -
MOU		RAM Construction of Michigan (MOU)	\$20,000 (money in)
MOU		Rio Arriba County Emergency (MOA)	\$ -
MOU		San Felipe (MOU)	\$3,000 (money in)
MOU		Search and Rescue (MOU)	\$ -
MOU		Tri-County Family Justice Center (MOU)	\$ -
MOU		NM Taxation & Revenue (TRD-MOU)	\$ -
MOU		US Army Corps of Engineers (MOU)	\$ -
MOU		US Army Garrison (WSMR)/DPS (MOU)	\$ -
MOU		US Army Garrison (WSMR)/DPS (MOU)	\$ -
MOU		US Dept of Agriculture (MOU)	\$10,000 (money in)
MOU		US Dept of Justice/MTPD (MOU)	\$ -
MOU		US Dept of Justice/MTPD (MOU)	\$ -
MOU		USDA Forest Svc - Gila Natl Forest (MOU)	\$ -
MOU		US Dept of Homeland Security (MOU)	\$ -
MOU		US Dept of Interior Fish & Wildlife (MOU)	\$ -
MOU		US Marshals Service (MOU)	\$ -
MOU		Valencia County Senior Center (MOU)	\$ -
JPA		Bernalillo County (JPA)	\$ -

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**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Description of Services	Effective Date	End Date	Program	Contractor Origin
Amendment One decreasing funds from original amt of \$111,739.68 to \$83,593.92 - Dona Ana MOU number 14-160-A1/MTPD	9/14/15	8/31/15	MTPD	
MTPD/Law Enforcement services in direct support of the US Border Patrol & Customs Protection	10/8/14	8/31/15	MTPD	
Law Enforcement services in direct support of the US Border Patrol & Customs Protection	9/1/13	8/31/15	NMSP	
Law Enforcement services in direct support of the US Border Patrol & Customs Protection	6/10/15	8/31/16	NMSP	
Law Enforcement services in direct support of the US Border Patrol & Customs Protection	3/24/16	8/31/18	NMSP	
Law enforcement services in direct support of the US Border Patrol and Customs Protection	9/11/14	8/31/15	NMSP	
Law enforcement services in direct support of the US Border Patrol and Customs Protection (moving funds in categories only; no addtl funding to above MOU)		8/31/15	NMSP	
Law enforcement services in direct support of the US Border Patrol and Customs Protection	6/1/15	8/31/16	NMSP	
Prevention, investigation, control and prosecution of unlawful drugs, narcotics and controlled substances and related crimes through joint effort	7/1/14	Upon 30 days notice	NMSP	
Traffic Control I40 EB and WB at MM159-160 Bernalillo County	4/7/16	8/1/16	NMSP	
Procedure for covering Search & Rescue incidents in Rio Arriba County/Rio Arriba to provide resources and equipment	1/15/14	Upon notice	NMSP	
Traffic Enforcement San Felipe fireworks July 3, 2015	6/29/15	7/5/2015	NMSP	
To ensure effective use of all available facilities for SAR, incorporate NM SAR agencies into the basic Federal SAR network for agreements between Air Force Rescue Coordination Center (AFRCC) and NM	9/15/12	Upon notice	NMSP	
Participation of NMSP officer in Tri-County Family Just Ctr in support of Assistance Program	2/10/15	None stated	NMSP	
Procedure for development, management, operation and security of the information shared between the parties.	1/14/15	1/13/18	IT	
Interagency Radio Frequency Use	8/13/12	Not indicated	IT	
Define and delineate responsibilities between US Army White Sands and NMSPD	3/18/14	3/17/16	NMSP	
Law Enforcement Support for felonies/misdemeanors/major disruptions/natural disasters/special threats & Traffic Accidents on Fort Wingate Depot Activity and Launch Complex. Also covers Special Reaction Team/Explosive Ordnance Disposal Team and Special Op Working Dogs and Intelligence Sharing	2/24/16	2/23/25	NMSP	
USDA Inspector Protection	8/2/13	Upon notice	NMSP	
Participation in OCDDETF Strike Force to dismantle major drug and firearms trafficking and money laundering ops	3/2/11	Indefinite	MTPD	
Participation in Natl Forensic Lab info system (NFLIS)	6/23/11	Indefinite	TESD	
Document cooperation in search and rescue efforts/#15-MU-11030600-012	7/10/15	5/30/20	NMSP	
Agreement to Input DPS frequencies into US Border Patrol El Paso Sector Land Mobile Radio System	6/28/13	6/27/18	IT	
Emergency Assistance for National Wildlife Refuge System	10/16/08	Upon Notice	NMSP	
Fugitive Task Force	8/14/02	Indefinite	NMSP	
DPS use of office space for admin only per Valencia County request	7/2/14	7/1/16	NMSP	
E911 equipment use/maintenance at District 5 Albuquerque	11/24/09	Indefinite	IT	

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**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Type	Contract Number	Contractor	FY16
JPA		BLM (JPA)	\$ -
JPA		BLM (JPA)	\$ -
JPA		Chaves County/Roswell PD/DPS (JPA)	\$ -
JPA		City of Albuquerque for Abq Police Dept (JPA)	\$ -
JPA		Dona Ana County/Las Cruces Police/NMSU Police (JPA)	\$ -
JPA		Energy Minerals & Nat Rscs/Dept of Heath/NM Environment/Office of State Marshall, Dept of Homeland Security Emergency Management/DPS (JPA)	\$ -
JPA		Luna County (JPA)	\$ -
JPA		McKinley County/Gallup PD/DPS (JPA)	\$ -
JPA		Mesilla Valley Dispatch Auth (JPA)	\$ -
JPA		NM State University (JPA)	\$40,000 revenue/year
JPA		NM State Fair Commission (JPA)	\$180,000 (money in)
JPA		San Juan County/Aztec,Bloomfield, Farmington Police (JPA)	\$ -
JPA		Santa Fe County (JPA)	\$ -
JPA		San Juan Criminal Just Trng Auth (JPA)	\$ -
JPA		Sierra County (JPA)	\$ -
JPA		Village of Maxwell (JPA)	\$ -
JPA		Village of Pecos (JPA)	\$ -
JPA		Village of Ruidoso (JPA)	\$ 23,331
JPA		Village of Wagon Mound (JPA)	\$ -
MOA		ALTSD Aging & Long Term Svcs Host Agreement	\$ -
MOA		ALTSD Aging & Long Term Svcs Host Agreement	\$ -
MOA		BLM - NM (Federal Contract) L13PX00458 (option years available out to 4/30/18)	\$5,700 (revenue per option year)
MOA		BLM - NM (Federal Contract) L13PX00458 (option years available out to end date 4/30/18)	\$5,700 (revenue per option year)
MOA		DEA HIDTA State Police Task Force Albuquerque	\$17,374/officer (money in)
MOA		DEA HIDTA State Police Task Force Albuquerque	\$17,548.00/officer (money in)
MOA		DEA HIDTA State Police Task Force Las Cruces	\$17,374.25/officer (money in)
MOA		DEA HIDTA State Police Task Force Las Cruces	\$17,548/officer (money in)
MOA		Dept of Transportation/MTD (MOA)	\$ -
MOA		Dept of Veterans Affairs (Ltr of Understanding) re	\$ -
MOA		EDAC Earth Data Analysis Center (IT Inter Govt) 13-790-9205-0017	\$ -
MOA		EDAC (Inter Govt) 13-790-9205-0017 Amend One	\$ -
MOA		FBI (Misc) 281D-AQ-C49017-CE	OT Reimbursement
MOA		Human Services Dept (Govt Svcs Agreement) 16-630-7903-0008	\$200K FY16; \$200K FY17; \$200K FY18
MOA		Human Services Dept (Govt Svcs Agreement Amend One) 16-630-7903-0008	\$200K FY16; \$75K FY17; \$75K FY18
MOA		Isleta Resort (Sales Agreement)	\$ 1,910

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**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Description of Services	Effective Date	End Date	Program	Contractor Origin
Officer involved shootings investigations	7/26/10	7/25/15	NMSP	
Officer involved shootings investigations	5/4/15	5/3/20	NMSP	
Officer involved incident investigations	3/24/09	Indefinite	NMSP	
Designate APD Crime Lab as the agency that administers and operates the DNA ID System	1/3/11	Indefinite	TSD	
Officer-involved incident investigations	10/14/09	Indefinite	NMSP	
Emergency Preparation and Monitoring of shipments to WIPP	5/12/08	Indefinite	NMSP	
Authorize Luna County Regional Dispatch Auth to use NM SP CAD	8/15/12	Upon notice	IT	
Officer involved incident investigations	3/24/09	Indefinite	NMSP	
E911 Service to Dona Ana County	4/19/06	Indefinite	IT	
Assistance and Additional Security during Special Events	9/18/14	9/17/17	NMSP	
Law Enforcement at 2015 State Fair	8/13/15	2/28/16	NMSP	
Officer-involved incident investigations	8/27/09	Indefinite	NMSP	
E911 equipment useage Emergency Comm center	11/17/09	Indefinite	IT	
Participation in joint training facility	12/20/10	Indefinite	NMSP	
Authorize County Regional Dispatch Authority to use NM State Police CAD	3/20/12	Indefinite	IT	
Law Enforcement Services	7/1/15	6/30/20	NMSP	
Law Enforcement Services	7/1/00	Upon notice	NMSP	
Lease of Office Space	7/1/10	Upon notice	NMSP	
Law Enforcement Services	7/1/15	6/30/20	NMSP	
Procedure for Senior Employment Program	12/9/14	12/8/15 Yearly review	ASD	
Procedure for Senior Employment Program	1/8/16	1/7/17, Yearly review	ASD	
Law Enforcement Pilar/Orilla Verde Recreation/John Dunn Bridge/Wild Rivers Recreation/	5/1/15	4/30/16	NMSP	
Law Enforcement Pilar/Orilla Verde Recreation/John Dunn Bridge/Wild Rivers Recreation/	5/1/16	4/30/17	NMSP	
Disrupt illicit drug traffic in the Albuquerque Area	10/1/14	9/30/15	NMSP	
Disrupt illicit drug traffic in the Albuquerque Area	2/12/16	9/30/16	NMSP	
Disrupt illicit drug traffic in the Las Cruces Area	10/1/14	9/30/15	NMSP	
Disrupt illicit drug traffic in the Las Cruces Area	10/1/15	9/30/16	NMSP	
Define responsibilities of the parties as related to the POE Smart Roadside Info System	6/23/09	Indefinite	MTPD	
Law enforcement assistance at VA facilities	12/22/10	Indefinite	NMSP	
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	IT	
Amendment One/Activities to be added re CAD mapping project	5/9/14	6/30/17	IT	
So. NM Gang Task Force	2/19/10	Indefinite	NMSP	
Synar Program/Reduce tobacco sales to minors	7/1/15	6/30/18	NMSP/SID	
Synar Program/Reduce tobacco sales to minors/Amendment decreases dollars for FY17 and FY18	DPS signed 7/5/16	6/30/18	NMSP/SID	
NMSP Meeting at resort for 5/19 and 5/20	5/17/16	5/20/16	NMSP	

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**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Type	Contract Number	Contractor	FY16
MOA		McKinley County (Inter Govt)	\$ -
MOA		Navajo Nation (Agreement)	\$ -
MOA		National Hispanic Cultural Center (NHCC) (Rental Agrmnt)	\$ 760
MOA		NM Dept of Corrections (Inter Govt)	\$250,000/year (revenue)
MOA		San Miguel County (Inter Govt)	\$30,000 (revenue)
MOA		San Miguel County (Inter Govt)	\$30,000/yr (revenue)
MOA		Socorro County (Inter Govt Svcs)	\$30,000/yr (revenue)
MOA		UNM (Inter Govt) Amendment One to FY15 Agreement	\$ 12,000
MOA		UNM (Inter Govt)	\$ 55,000
MOA		UNM (Inter Govt)	\$ 54,476
MOA		US Army Corp of Egr (Federal)	\$16,783 (money in per year)
MOA		USDA Forest Svc Santa Fe & Carson Natl Forest/Master Agrmnt 12-LE-11030200-001	\$17,000/year (estimated money in)
MOA		USDA Forest Svc/Southwestern Region (Coop Law Enforcement Op and Financial Plan for 2015 12-LE-11030200-001)	\$49,671 (money in)
MOA		USDA Forest Svc/Southwestern Region (Coop Law Enforcement Op and Financial Plan for 2016 12-LE-11030200-001)	\$54,447 (money in)
APA	20-790-00-01007	3M Cogent (PSC)	Fee based
APA	20-790-00-01007	3M Cogent (IT PSC) Amendment One	Fee based
APA	20-790-00-01007	3M Cogent (IT PSC) Amendment Two	Fee based
APA	20-790-00-01007, THIS IS NOW A STATEWIDE PRICE AGREEMENT (THREE OPTION YEARS LEFT FOR RENEWAL OUT TO NOVEMBER 2020 FOR TOTAL OF 8 YEARS)	3M Cogent Amendment Three	\$ -
APA	30-790-13-01044A Amendment One	Bentley's (Services Agreement)	Fee based
APA	30-790-13-01044A Amendment Two ONE YEAR OPTION REMAINING	Bentley's (Services Agreement)	Fee based
APA	30-790-13-01042, Amendment Two	Cassidy's Landscaping	Fee based

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**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Description of Services	Effective Date	End Date	Program	Contractor Origin
Back-up Public Safety Answer Point capabilities for McKinley County by D6 DPS Comm Center	12/3/14	Upon notice	IT	
Cross commissioning of officers	8/30/12	8/29/17	NMSP	
Rental of facility for 5/20/16 Graduation	4/20/16	After 5/20/16 Graduation	NMSP	
Emergency Dispatch Services	10/22/15	10/21/17	IT	
Participation in DPS Comm Center/CAD	7/12/11	7/11/15	IT	
Participation in DPS Comm Center/CAD	7/11/15	6/30/17	IT	
Participation in DPS Comm Center/CAD	2/26/13	2/25/17	IT	
Medical Director	7/1/15	9/30/15	NMSP	
Medical Director/Medical Support TEMS/Medical Review Officer/AED Instruction	2/5/16	12/31/16	NMSP	
Tactical Emergency Medical Support (TEMS) Program	10/1/15	9/30/16	NMSP	
Law Enforcement services at the Conchas Lake Recreational Area	5/8/15	9/7/2015 (option years available to USACE out to 9/2/19)	NMSP	
Master Agrmnt governing patrols of Santa Fe & Carson Natl Forests	2/7/12	9/30/17	NMSP	
SW Region forest patrols/Carson, Santa Fe, Cibola, Gila and Lincoln Forests	1/1/15	12/31/15	NMSP	
SW Region forest patrols/Carson, Santa Fe, Cibola, Gila and Lincoln Forests	1/1/16	12/31/16	NMSP	
LIVESCAN Fingerprinting Services	11/20/12	11/19/16	TSD	Ohio/ RFP
Statewide Outsourced Livescan Fingerprinting Services/Amendment One to extend term	11/20/12	11/19/17	TSD	Ohio/ RFP
Statewide Outsourced Livescan Fingerprinting Services/Amendment Two to change fees in Deliverable Four	11/6/13	11/19/17	TSD	Ohio/ RFP
Fingerprinting Services/Amendment to convert to Statewide Price Agreement as originally intended in the RFP	12/20/13	11/18/17	TSD	Ohio/ RFP
Physical Auctioneering	7/2/14	7/3/15	NMSP	NM/ RFP
Physical Auctioneering	7/4/15	7/3/16	NMSP	NM/ RFP
Landscaping services for DPS	3/27/15	3/26/16	ASD	NM/ITB

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**State of New Mexico Department of Public Safety
Supplemental Schedule of Joint Powers Agreements**

Type	Contract Number	Contractor	FY16
APA	30-790-13-01042, Amendment Three NO OPTION YEARS REMAINING; THIS WILL NEED AN ITB FOR LANDSCAPING SERVICES BEYOND 3/26/17	Cassidy's Landscaping	Fee based
APA	50-790-14-01133 THREE OPTION YEARS AVAILABLE	LexisNexis VitalChek Network Inc	Fee based
APA	30-790-13-01044B Amendment One NOT RENEWING BEYOND CURRENT EXPIRY DATE OF 3/20/16 DC MARTINEZ 1/28/16	The Public Group (Services Contract)	Fee based
APA	20-000-00-00070, Amendment Two	Trinity	Fee based
APA	20-000-00-00070, Amendment Three (renewable in one year increments out to end date 10/31/2020)	Trinity	Fee based

**State of New Mexico Department of Public Safety
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Description of Services	Effective Date	End Date	Program	Contractor Origin
Landscaping services for DPS	3/27/16	3/26/17	ASD	NM/ITB
Credit Card Processing for MTD Permitting System	3/6/15	3/5/16	MTPD	Tennessee
On-Line Auctioneering	3/21/15	3/20/16	NMSP	Utah/ RFP
Law Enforcement Academy Food Services	11/1/14	10/31/15	NMSP/TRD	Florida/ RFP
Law Enforcement Academy Food Services	11/1/15	10/31/16	NMSP/TRD	Florida/ RFP

**State of New Mexico Department of Public Safety
Supplemental Schedule of Vendor Information**

As of June 30, 2016

Contract Number	Procurement Method	Proposals Received From	Preference Choice Used
40-000-14-00110	RFP	Intergraph Corp	None
		Tritech Software Sys	None
		Motorola	Resident Business Cert
		Capers Integrated Software	None
		InterAct	None
16-790-9110-0008	RFP	Life Technologies Corporation	None
		Bode Cellmark	None
		Sorensic Forensic	None
17-790-4030-0002	RFP	Public Safety Psychology Group	None

**State of New Mexico Department of Public Safety
Supplemental Schedule of Vendor Information**

Description of Services	Awarded To	FY16 Dollar Amount	Effective Date	End Date	Program
Computer Aided Dispatch (CAD and Mobile Computer Sys (MDCS)	Intergraph Corp	Total contract \$2,940,163; FY16 amt \$755,646	12/7/15	12/6/19	NMSP
Validation of new technology for Agency DNA Casework Laboratory	Life Technologies Corporation	\$180,000	12/15/15	12/14/19	TSD
Police Officer Support Team (POST) Psychologist	Public Safety Psychology Group	Total for two years \$90,528; FY16 amount \$0	7/1/16	6/30/18	NMSP

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SINGLE AUDIT

**State of New Mexico Department of Public Safety
Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2016

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participation Expenditures
Direct Assistance Programs:		
U.S. Department of Agriculture Rural Business - Cooperative Service:		
Rural Business Enterprise Grants	10.769	\$ 31,215
Total U.S. Department of Agriculture Rural Business		<u>31,215</u>
U.S. Department of the Interior Bureau of Land Management:		
Recreation Resource Management	15.225	5,687
Total U.S. Department of the Interior Bureau of Land Management		<u>5,687</u>
U.S. Department of Justice Bureau of Justice Assistance:		
Crime Victims Assistance	16.575	2,130
Residential Substance Abuse Treatment of State Prisoners	16.593	20,868
Project Safe Neighborhoods	16.609	104,464
PREA Program: Demonstration Projects to Establish "Zero Tolerance"		
Cultures of Sexual Assault in Correctional Facilities	16.735	75,171
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1,428,438
Post conviction Testing of DNA Evidence to Exonerate the Innocent	16.820	281,254
Total U.S. Department of Justice Bureau of Justice Assistance		<u>1,912,325</u>
U.S. Department of Justice Office of Community Oriented Policing Services:		
Public Safety Partnership and Community Policing Grants	16.710	207,036
Total U.S. Department of Justice Office of Community Oriented Policing		<u>207,036</u>
U.S. Department of Justice National Institute of Justice:		
DNA Backlog Reduction Program	16.741	538,080
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	120,915
Total U.S. Department of Justice National Institute of Justice		<u>658,995</u>
U.S. Dept. of Office of Sex Offenders Sentencing, Monitoring, Apprehending, Registering, and Tracking		
Support for Adam Walsh Act Implementation Grant Program	16.750	130,585
Total U.S. Dept. of Office of Sex Offenders Sentencing, Monitoring, Apprehending, Registering, and Tracking		<u>130,585</u>
U.S. Department of Justice Criminal Division:		
Equitable Sharing Program	16.922	15,872
Total U.S. Department of justice Criminal Division		<u>15,872</u>
U.S. Department of Transportation:		
Federal Highway Administration (FHWA)		
FHWA - Highway Planning and Construction	20.205	1,112,392
Total Federal Highway Administration (FHWA)		<u>1,112,392</u>

**See Report of Independent Certified Public Accountants and Notes to Schedule of Expenditures
of Federal Awards**

**State of New Mexico Department of Public Safety
Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2016

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participation Expenditures
Federal Motor Carrier Safety Administration (FMCSA):		
FMCSA - National Motor Carrier Safety	20.218	1,925,335
FMCSA - Border Enforcement Grants	20.233	784,308
FMCSA - Commercial Vehicle Information Systems and Networks	20.237	307,799
Total Federal Motor Carrier Safety Administration (FMCSA)		<u>3,017,442</u>
National Highway Traffic Safety Administration (NHTSA):		
Highway Safety Cluster		
State and Community Highway Safety	20.600	67,242
State Traffic Safety Information System Improvement Grants	20.610	413,786
National Priority Safety Programs	20.616	572,531
Total Highway Safety Cluster		<u>1,053,559</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	447,517
Total U.S. Department of Transportation (FHWA), (FMCSA), and (NHTSA):		<u>5,630,910</u>
U.S. Department of Energy:		
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant States and Tribal Concerns, Proposed Solutions		
	81.106	272,478
Total U.S. Department of Energy		<u>272,478</u>
U.S. Department of Health and Human Services:		
Administration for Children and Families		
Child Support Enforcement	93.563	12,848
Total U.S. Department of Health and Human Services:		<u>12,848</u>
Executive Office of the President:		
High Intensity Drug Trafficking Areas Program		
	95.001	596,788
Total Executive Office of the President		<u>596,788</u>
U.S. Department of Homeland Security:		
Disasters Grants - Public Assistance (Presidentially Declared Disasters)		
	97.036	49,708
Homeland Security Grant Program	97.067	629,378
Total U.S. Department of Homeland Security:		<u>679,086</u>
Total Federal Financial Assistance		<u><u>\$ 10,153,825</u></u>

**See Report of Independent Certified Public Accountants and Notes to Schedule of Expenditures
of Federal Awards**

**State of New Mexico Department of Public Safety
Reconciliation of Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2016

Federal Agency/ Pass-Through Agency	Federal Participation Expenditures
Statement of Revenues, Expenditures and Changes in Fund Balances	
U.S. Department of Agriculture Rural Business - Cooperative Service:	\$ 32,430
Amounts Unavailable (Deferred Inflows) - FY15	(1,215)
Total U.S. Department of Agriculture Rural Business	<u>31,215</u>
U.S. Department of the Interior Bureau of Land Management:	5,687
Amounts Unavailable (Deferred Inflows) - FY16	-
Total U.S. Department of the Interior Bureau of Land Management	<u>5,687</u>
U.S. Department of Justice Bureau of Justice Assistance:	1,958,349
Amounts Unavailable (Deferred Inflows) - FY16	154,149
Amounts Unavailable (Deferred Inflows) - FY15	(200,174)
Total U.S. Department of Justice Bureau of Justice Assistance	<u>1,912,324</u>
U.S. Department of Justice Office of Community Oriented Policing Services:	207,036
Amounts Unavailable (Deferred Inflows) - FY16	-
Total U.S. Department of Justice Office of Community Oriented Policing Services	<u>207,036</u>
U.S. Department of Justice National Institute of Justice:	625,335
Amounts Unavailable (Deferred Inflows) - FY16	74,468
Amounts Unavailable (Deferred Inflows) - FY15	(40,808)
Total U.S. Department of Justice National Institute of Justice	<u>658,995</u>
U.S. Dept. of Office of Sex Offenders Sentencing, Monitoring, Apprehending, Registering, and Tracking	145,151
Amounts Unavailable (Deferred Inflows) - FY15	(14,566)
Total U.S. Dept. of Office of Sex Offenders Sentencing, Monitoring, Apprehending, Registering, and Tracking	<u>130,585</u>
U.S. Department of Justice Criminal Division:	15,872
Amounts Unavailable (Deferred Inflows) - FY16	-
Total U.S. Department of justice Criminal Division	<u>15,872</u>
U.S. Department of Transportation:	
Federal Highway Administration (FHWA)	1,112,392
Amounts Unavailable (Deferred Inflows) - FY16	-
Total Federal Highway Administration (FHWA)	<u>1,112,392</u>

**See Report of Independent Certified Public Accountants and Notes to Schedule of Expenditures
of Federal Awards**

**State of New Mexico Department of Public Safety
Reconciliation of Schedule of Expenditures of Federal Awards**

Federal Agency/ Pass-Through Agency	Federal Participation Expenditures
Statement of Revenues, Expenditures and Changes in Fund Balances - continued	
Federal Motor Carrier Safety Administration (FMCSA)	3,158,106
Amounts Unavailable (Deferred Inflows) - FY16	393,275
Amounts Unavailable (Deferred Inflows) - FY15	(533,938)
Total Federal Motor Carrier Safety Administration (FMCSA)	<u>3,017,443</u>
National Highway Traffic Safety Administration (NHTSA)	1,345,773
Amounts Unavailable (Deferred Inflows) - FY16	156,862
Amounts Unavailable (Deferred Inflows) - FY15	(1,559)
Total Highway Safety Cluster	<u>1,501,076</u>
Total U.S. Department of Transportation (FHWA), (FMCSA), and (NHTSA):	<u>5,630,911</u>
U.S. Department of Energy:	272,478
Amounts Unavailable (Deferred Inflows) - FY16	-
Total U.S. Department of Energy	<u>272,478</u>
U.S. Department of Health and Human Services:	12,848
Amounts Unavailable (Deferred Inflows) - FY16	-
Total U.S. Department of Health and Human Services:	<u>12,848</u>
Executive Office of the President:	590,403
Amounts Unavailable (Deferred Inflows) - FY16	6,385
Total Executive Office of the President	<u>596,788</u>
U.S. Department of Homeland Security:	737,528
Amounts Unavailable (Deferred Inflows) - FY16	29,908
Amounts Unavailable (Deferred Inflows) - FY15	(88,350)
Total U.S. Department of Homeland Security:	<u>679,086</u>
Supplemental Schedule of Expenditures of Federal Awards	<u><u>\$ 10,153,825</u></u>

See Report of Independent Certified Public Accountants and Notes to Schedule of Expenditures of Federal Awards

**State of New Mexico Department of Public Safety
Notes to Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2016

Note A - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Department, it is not intended to and does not present the financial position or changes in net position of the Department. The Department did not utilize the 10% minimum indirect cost rate for the fiscal year 2016. 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

CFDA#	Program Name	Sub Recipient Name	Amount
20.608	Minimum Penalties for Repeat Offenders for Driving While	City of Santa Fe	\$ 11,667
16.741	DNA Backlog Reduction Program	City of Albuquerque	134,482
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	City of Albuquerque	5,151
		The University of New Mexico	1,867
16.609	Project Safe Neighborhoods	City of Albuquerque	7,977
		Bernalillo County Clerk Office	12,749
		Pueblo of Isleta	20,346
		City of Rio Rancho	1,650
		The University of New Mexico	16,493
16.735	Correctional Facilities	County of Bernalillo	59,995
16.738	Edward Byrne Memorial Justice Assistance Grant Program	City of Albuquerque	84,196
		County of Bernalillo	57,425
		City of Farmington	109,375
		City of Clovis	179,172
		City of Las Vegas	30,762
		City of Rio Rancho	77,515
		San Juan County	1,501
		Santa Fe County	91,131
16.820	Post Conviction Testing of DNA Evidence to Exonerate the Innocent	The University of New Mexico	244,934
			\$ 1,148,388

See Report of Independent Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

State of New Mexico
Department of Public Safety
and
Mr. Timothy Keller
New Mexico State Auditor

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 governmental activities each major fund, the budgetary comparisons for the general fund and major special revenue funds and the aggregate remaining fund in formation, which collectively comprise the basic financial statements of the Department of Public Safety (the Department), as of and for the year ended June 30, 2016. We have also audited each of the Department's non major funds and respective budgetary comparison schedules presented as supplementary information in the accompanying financial statements as of and for the year ended June 30, 2016 and the related notes and have issued our report thereon dated November 30, 2016.

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 entity'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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2016-002 and 2016-003 which we consider to be significant deficiencies.

Compliance and Other Matters

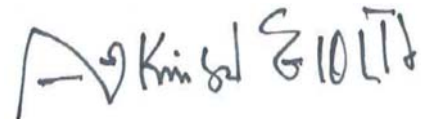
As part of obtaining reasonable assurance about whether the Department's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and 2.2.2. NMAC and which are described in the accompanying schedule of findings and questioned costs as item 2016-001.

The Department's Response to Findings

The Department's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 initial "A" and a checkmark-like flourish.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
November 30, 2016

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

State of New Mexico
Department of Public Safety
and
Mr. Timothy Keller
New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited the Department of Public Safety's (the Department) compliance with the types of compliance requirements described in the *OMB 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, 2016. The Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and responses.

Management's Responsibility

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

Auditors' 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

Other Matters

The results of our auditing procedures disclosed no instance of noncompliance which are required to be reported in accordance with Uniform Guidance.

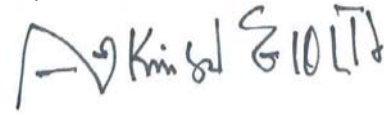
Report on Internal Control Over Compliance

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Atkinson & Co., Ltd." with a stylized flourish at the end.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
November 30, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

State of New Mexico
Department of Public Safety

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2016

I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP - Unmodified		
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ <u>yes</u>	<input checked="" type="checkbox"/> _____ <u>no</u>
• Significant deficiency(ies) identified?	<input checked="" type="checkbox"/> _____ <u>yes</u>	_____ <u>none</u> reported
Noncompliance material to financial statements noted?	_____ <u>yes</u>	<input checked="" type="checkbox"/> _____ <u>no</u>
Federal Awards		
Internal control over major federal programs:		
• Material weakness(es) identified	_____ <u>yes</u>	<input checked="" type="checkbox"/> _____ <u>no</u>
• Significant deficiency(ies) Identified?	_____ <u>yes</u>	<input checked="" type="checkbox"/> _____ <u>none</u> reported
Type of auditor’s report issued on compliance for major federal programs - Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CR 200.516(a)?	_____ <u>yes</u>	<input checked="" type="checkbox"/> _____ <u>no</u>
CFDA Number(s)	Name of Federal Program or Cluster	
16.738 Edward Byrne Justice Assistance Grant		
20.205 Highway Planning And Construction		
20.218 National Motor Carrier Safety		
20.233 Border Enforcement Grants		
Dollar threshold used to distinguish between type A and type B programs:	_____ <u>\$750,000</u>	
Auditee qualified as low-risk auditee?	_____ <u>yes</u>	<input checked="" type="checkbox"/> _____ <u>no</u>

State of New Mexico
Department of Public Safety

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2016

II. PRIOR YEAR FINDINGS	<u>STATUS</u>
2015-001 Expenditure Allocation Controls (Material Weakness)	RESOLVED
2015-002 Unbilled and Billed Federal Accounts Receivable (Material Weakness)	RESOLVED
2015-003 Late Audit (Significant Deficiency)	RESOLVED
2015-004 Procurement Violation (Other Noncompliance)	RESOLVED
2015-005 Adjusting Journal Entry Approvals (Significant Deficiency)	RESOLVED
2015-006 Budgetary Non Compliance (Other Noncompliance)	RESOLVED
2015-007 Reporting Non Compliance (Other Noncompliance)	RESOLVED

State of New Mexico
Department of Public Safety

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2016

III. FINANCIAL STATEMENT FINDINGS

2016-002 Documentation for Control Weaknesses and New Federal Standards (Significant Deficiency)

2016-003 Information Technology General Controls (Significant Deficiency)

III. FINDINGS IN ACCORDANCE WITH 2.2.2 NMAC

2016-001 Cashier and Petty Cash Balances (Other Noncompliance)

IV. FEDERAL AWARD FINDINGS

NONE

State of New Mexico
Department of Public Safety

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2016

FINDING 2016-001 CASHIER AND PETTY CASH BALANCES (OTHER NONCOMPLIANCE)

CONDITION

The Department has cashier and petty cash accounts that are used routinely as part of their operations. The procedures the Department uses for these accounts do not strictly require timely submission of invoices in support of expenditures. Further, the accounting for transactions does not replenish the cashier or petty cash account on a periodic basis to the control amount. The accounts are not being operated in accordance with normal control procedures for petty cash or other imprest type accounts. The amount of cash in cashier or petty cash accounts is \$249,829 at June 30, 2016.

CRITERIA

Good accounting practice requires the regular recording, support procedures and replenishment of these type of accounts to safeguard assets and to permit clear tracking of all transactions. The Department of Finance and Administration has communicated during the year that these accounts should be stated at the imprest control amount periodically during the year and at the end of a reporting period. This will facilitate monitoring cash at the state level and the preparation of the CAFR at year end.

CAUSE

The Department has not fully required the procedures normally used for these accounts. Two changes in CFO personnel at the Department in recent years has required that priorities be given to other areas such as federal funding and grant accounting. The volume of transactions from these accounts is higher than other agencies which requires compliance from all staff and not just centrally in the accounting department.

EFFECT

The Department does not have a clear track of transactions and balances for cashier and petty cash accounts and its cash balances have been reported at amounts different from the imprest amounts.

RECOMMENDATION

We recommend that a policy be implemented to effect the preferred accounting, documentation and support and that management emphasize its importance.

State of New Mexico
Department of Public Safety

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2016

FINDING 2016-001 CASHIER AND PETTY CASH BALANCES (OTHER NONCOMPLIANCE) - Continued

VIEWS OF RESPONSIBLE OFFICIALS AND CORRECTIVE ACTION PLAN

Management is in agreement with this finding. This finding reflected a lack of understanding on how petty cash should be accounted for and how the reimbursement process works. Management recognized that the petty cash for the Department was not being handled correctly during fiscal year 2016 but unfortunately there was not enough time to make the corrective action necessary to clear this item for the 2016 audit. Currently, the Finance Bureau has developed written procedures and is working on an Administrative Directive to properly record and ensure that all petty cash accounts are properly accounted for by all parties involved in the petty cash process.

These actions will be charged by the CFO to ensure that the Department has effective oversight over the petty cash accounts.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2016

**FINDING 2016-002 DOCUMENTATION FOR CONTROL WEAKNESSES AND NEW FEDERAL STANDARDS
(SIGNIFICANT DEFICIENCY)**

CONDITION

Control deficiencies identified in the immediate past audit appear to have been largely addressed through high level monitoring, ongoing review and reconciliation by the CFO, continued contracting with external accountants and through increased communication to all staff in a position to administer grant funding. However, the Department was not able to provide significant documentation of its efforts to change its established procedures and or to provide new policies to remedy deficiencies or reflect new practices. Further the newly issued Uniform Guidance places continuing emphasis on the need for documentation of policies and procedures designed to meet the requirements of the new standard. Sub recipient monitoring, allowable costs, and increased internal control emphasis for payroll allocations all strongly suggests that relevant procedures be developed and documented. Software policies and training are part of the control environment that should be documented.

CRITERIA

The Model Accounting Practices and high level compliance stewardship requires documentation of the compliance function for accountability to stakeholders. Excellent documentation including relevant policies and procedures provides the following benefits

- (1) Demonstrates the Department's intent to comply with relevant requirements;
- (2) Permits accountability to federal or state oversight agencies at a future date;
- (3) Brings clarity to its practices, procedures and controls relevant to compliance requirements;
- (4) Facilitates the training of staff;
- (5) Protects the Department in the event of turnover;
- (6) Communicates that changes in the compliance environment have been addressed;
- (7) Strengthens internal control through instructing staff on needed procedures.

CAUSE

The Department has been playing catch up after it experienced certain control departures in its operations and had an extended audit for fiscal year 2015. There was a change in the CFO position during 2015. The timing and completion of the 2015 audit ran into the normal planning time frames for fiscal 2016 which cut short any time for reviewing and documenting procedures, making control changes and putting in place policies for new federal compliance requirements. The Department has increased its staffing but still has open positions for the skilled staff that it needs.

State of New Mexico
Department of Public Safety

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2016

FINDING 2016-002 DOCUMENTATION FOR CONTROL WEAKNESSES AND NEW FEDERAL STANDARDS (SIGNIFICANT DEFICIENCY) - Continued

EFFECT

The Department's internal control system and changes to it as documented through policies and procedures is not as strong as it could be.

RECOMMENDATION

We recommend that all significant changes occurring in the internal control system be documented. We recommend that policies be identified and implemented for those areas where the Uniform Guidance affects the Department's federal funding. Such activities will play a part to increase the effectiveness of internal control.

VIEWS OF RESPONSIBLE OFFICIALS AND CORRECTIVE ACTION PLAN

Management is in agreement with this finding that we need documentation for controls and new Federal Standards.

The Department has reorganized the financial and grants management bureau and improved internal controls and the expertise required to successfully manage the Department's financial affairs in the staffing plan, but still has several of these positions open. Once fully staffed the Department will have the resources required to develop the required documentation of policies and procedures, addressing the federal standards to ensure that there is appropriate documentation meeting federal and state requirements.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2016

FINDING 2016-003 INFORMATION TECHNOLOGY GENERAL CONTROLS (SIGNIFICANT DEFICIENCY)

CONDITION

A review of information technology general controls revealed the following items.

- (1) The last IT system security review was conducted in 2013
- (2) The Department does not test backups or attempt to recover from system failure as a matter of policy
- (3) There is not an established Department policy over its IT system security

CRITERIA

The information technology system is an integral part of the internal control system for the Department.

The security of IT systems is the most talked about concern among high level managers currently. The Department's IT systems contains a significant amount of sensitive information including personally identifiable Information (PII) that must be protected.

CAUSE

The Department information technology system and records is part of the State of New Mexico's SHARE system. As such, a large part of the Department's system and controls is not under its direct controls. There is change in personnel affecting areas of focus and there is no written policy guiding procedures.

EFFECT

The Department system security could be more vulnerable in a general sense without a policy and recent outside review. A failure of backups when needed could significantly impact the operations of the Department.

RECOMMENDATION

We recommend that a security policy be implemented and that it be monitored by appropriate personnel for compliance. We recommend that the Department periodically test its backups for reliability and that consideration of the Department's ability to recover from a system failure be made.

State of New Mexico
Department of Public Safety

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED

Year ended June 30, 2016

FINDING 2016-003 INFORMATION TECHNOLOGY GENERAL CONTROLS (SIGNIFICANT DEFICIENCY) - Continued

VIEWES OF RESPONSIBLE OFFICIALS AND CORRECTIVE ACTION PLAN

Management is in agreement with this finding that we need documentation of network and server security policies in addition to creating a roadmap revealing the implementation approach.

The Department experienced a recent vacancy loss within the Network/Server Bureau. Aggressive recruiting of key personnel is underway with the hiring of a new Network/Server Bureau Chief, Network Administrator III, and a System Administrator III. Interviews for IT System Administrators will be conducted this week. The creation of an IT Security Administrator position has been created and awaiting SPO approval. Once fully staffed the Department will have the resources required to develop the required documentation of policies and procedures, addressing the compliance issue to ensure that there is appropriate documentation and security best practices are visible.

**State of New Mexico Department of Public Safety
Exit Conference**

Year Ended June 30, 2016

The financial statements were presented in this report have been prepared by the Department and are the responsibility of management.

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An exit conference was held with the Department on November 28, 2016, at the Department's offices in Santa Fe, New Mexico. In attendance were:

Representing the Department of Public Safety:

Scott Weaver	Cabinet Secretary
Pete Kassetas	Chief, NMSP
David Martinez	Deputy Chief, NMSP
Dianna DeJarnette	Deputy ASD Director
Bridgette Long	CFO/Finance Director
Melvin Lee	Chief Information Officer
Vicki Bowser	Human Recourses Director
Evelyn Valencia	Procurement & Contracts, Manager
Edwina Montano	Accounts Payable Manager
Vincent Montano	Business Operation
Erica Gallegos	Accountant/Auditor
Nicole Padilla	Financial Specialist
Sheila McDonald	Grants Management Supervisor
Heather Toya	Budget Director

Representing Atkinson & Co., Ltd.:

Marty Mathisen, CPA, CGFM	Audit Director
Renea Calhoon	Audit Manager