



**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
ANNUAL FINANCIAL STATEMENTS & SCHEDULES
(INDEPENDENT AUDITORS' REPORT INCLUDED)**

FISCAL YEAR ENDING JUNE 30, 2019



NEW MEXICO DEPARTMENT OF PUBLIC SAFETY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2019

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
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**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
OFFICIAL ROSTER
YEAR ENDED JUNE 30, 2019**

Name	Title
Mark R. Shea	Cabinet Secretary
Tim Q. Johnson	New Mexico State Police Chief Deputy Secretary - Law Enforcement Program
Dr. August M. Fons	Deputy Secretary - Statewide Law Enforcement Support Program and Administrative Services Division
Division Directors	
Jose D. (Nick) Aragon	Deputy Chief - New Mexico State Police Uniform and Commercial Vehicle Enforcement
Robert Thornton	Deputy Chief - New Mexico State Police Investigations, Special Operations and Special Investigations Unit
Carolyn Huynh	Deputy Chief - New Mexico State Police Training, Internal Affairs and Research & Development
Kelly Alzaharna	Law Enforcement Academy Director effective August 24, 2019
Melvin Lee	Chief Information Officer
H. L. Lovato	Technical Services Division Deputy Director
Bernadette Perez	Administrative Services Division Deputy Director vacated September 6, 2019
Sylvia M. Serna	Administrative Services Division Deputy Director effective October 19, 2019
Jessica A. Lucero	Chief Financial Officer

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITORS' REPORT

Mr. Mark Shea
New Mexico Department of Public Safety
and Mr. Brian Colón, New Mexico State Auditor
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the general fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund of the New Mexico Department of Public Safety, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements 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.

Mr. Mark Shea
New Mexico Department of Public Safety
and Mr. Brian Colón, New Mexico State Auditor

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund of the New Mexico Department of Public Safety as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of the governmental activities, the general fund, the aggregate remaining fund information, and all respective budgetary comparisons that is attributable to the transactions of the Department. They do not purport to, and do not present fairly the financial position of the entire State of New Mexico as of June 30, 2019, and the changes in its financial position, where applicable, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Mexico Department of Public Safety's basic financial statements. The combining and individual nonmajor fund financial statements 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, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements

Mr. Mark Shea
New Mexico Department of Public Safety
and Mr. Brian Colón, New Mexico State Auditor

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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying information as required by 2.2.2.10 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 21, 2019, on our consideration of the New Mexico Department of Public Safety'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the New Mexico Department of Public Safety's 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 New Mexico Department of Public Safety's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 21, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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, 2019. 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 Fund Financial 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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019**

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, 2019	Prior Year June 30, 2018	Increase (Decrease)	Percent Change
ASSETS				
Current Assets	\$ 15,037,937	\$ 16,236,067	\$ (1,198,130)	-7%
Capital Assets	<u>13,041,462</u>	<u>14,354,240</u>	<u>(1,312,778)</u>	-9%
Total Assets	28,079,399	30,590,307	(2,510,908)	-8%
LIABILITIES				
Current Liabilities	14,930,922	13,236,355	1,694,567	13%
Long-Term Liabilities	-	<u>2,584,886</u>	<u>(2,584,886)</u>	-100%
Total Liabilities	14,930,922	15,821,241	(890,319)	-6%
NET POSITION				
Net Investment in Capital Assets	13,041,462	14,354,240	(1,312,778)	-9%
Restricted	5,697,571	648,430	5,049,141	779%
Unrestricted	<u>(5,590,556)</u>	<u>(233,604)</u>	<u>(5,356,952)</u>	2293%
Total Net Position	<u>\$ 13,148,477</u>	<u>\$ 14,769,066</u>	<u>\$ (1,620,589)</u>	-11%

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE (CONTINUED)

	<u>Current Year June 30, 2019</u>	<u>Prior Year June 30, 2018</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
PROGRAM REVENUE AND EXPENSES				
Program Revenues	\$ 17,424,302	\$ 15,835,820	\$ 1,588,482	10%
Program Expenses	<u>(143,693,262)</u>	<u>(139,108,256)</u>	<u>4,585,006</u>	3%
Net Program Revenues and Expenses	(126,268,960)	(123,272,436)	2,996,524	2%
GENERAL REVENUES (EXPENSES)				
General Fund Appropriations	120,283,338	119,068,800	1,214,538	1%
Weight Distance Tax Permit Fund Appropriations	94,500	94,500	-	0%
Special Appropriations	375,000	1,367,778	(992,778)	-73%
Severance Tax Bond Appropriations	1,758,978	-	1,758,978	0%
Transfers - In (Out) from Other State Agencies	<u>3,904,719</u>	<u>500,000</u>	<u>3,404,719</u>	681%
Total General Revenues (Expenses)	126,416,535	121,031,078	5,385,457	4%
Gain (Loss) on Disposal of Capital Assets	918,248	2,606	915,642	35136%
Reversions- State General Fund	(2,686,412)	(824,362)	(1,862,050)	226%
CHANGE IN NET POSITION	(1,620,589)	(3,063,114)	1,442,525	-47%
Net Position - Beginning of Year	<u>14,769,066</u>	<u>17,832,180</u>	<u>(3,063,114)</u>	-17%
NET POSITION - END OF YEAR	<u><u>\$ 13,148,477</u></u>	<u><u>\$ 14,769,066</u></u>	<u><u>\$ (1,620,589)</u></u>	-11%

Significant factors impacting the Department's financial position and results of operations during the year ended June 30, 2019 are as follows:

Total Assets decreased by \$2,510,910 or 8% primarily due to the reduction in receivable balances resulting from overall clean-up of accounts receivable – federal and non-federal, along with improved billing processes.

Total Liabilities decreased by \$890,319 or 6% primarily due to enhanced processing of invoices during the fiscal year resulting in a lower accounts payable accrual at June 30, 2019.

Total Net Position decreased by \$1,620,589 or 11% due to an overall net decrease in capital assets and an increase in compensated absences. The majority of the decrease is related to the retirement of capital assets.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE DEPARTMENT AS A WHOLE (CONTINUED)

The Department's Unrestricted Net Position decreased by \$5,356,952 or 2,293% due in large part to restrictions imposed on appropriations received by the Department.

Program Revenues increased by \$1,588,481 or 10% primarily due to an increase in special projects related to security services provided by the New Mexico State Police. There was also an increase in the sale of disposed capital assets. The sale included an increase in decommissioned service vehicles at auction. There was also a significant increase in federal expenditures during the fiscal year, which in turn, created the increase in federal revenue.

Program Expenses increased by \$4,585,007 or 3% primarily due to no purchase of patrol vehicles with Severance Tax Bond proceeds in fiscal year 2018. There was also a significant increase in federal expenditures during the fiscal year, which in turn, created an increase in federal revenue.

Net Program Activity increased by \$2,996,526 or 2% as outlined above in program expenses.

General Fund Appropriations increased by \$1,613,600 or 1% to account for additional projects and initiatives that were to be undertaken by the Department in FY19 and going forward.

Transfers in (out) From Other State Agencies increased by \$3,005,657 or 601% primarily due to the compensation package pay-out and implementation of records management system.

Special Appropriations decrease of \$992,778 or 73% is due to the expenditures of special and data appropriations in fiscal year 2019.

Severance Tax Bonds increased by \$1,758,978 as the Department incurred expenditures, as appropriated and submitted its capital outlay draws during fiscal year 2019.

The Department recognized a \$918,248 Gain on Disposal of Capital Assets for an increase of \$915,645 or 35136% over last year, primarily due to the sale of New Mexico State Police vehicles in FY18 that were fully depreciated.

Ending Net Position decreased by \$3,063,114 or 17% due to the net changes described above.

FINANCIAL ANALYSIS AT THE FUND LEVEL

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

The increase in the General Fund balance is due to the agency's ability to carry-over special and data processing appropriations in which the revenues were recognized in prior fiscal years. The decrease Special Revenues Fund Balance is a result of expenditures related restricted appropriations recognized in prior years'.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019**

FINANCIAL ANALYSIS AT THE FUND LEVEL (CONTINUED)

	Fund Balance			
	Current Year June 30, 2019	Prior Year June 30, 2018	Increase (Decrease)	Percent Change
General Fund	\$ 2,820,427	\$ 2,118,455	\$ 701,972	33%
Special Revenues	2,647,399	2,944,605	(297,206)	-10%
Capital Projects	-	-	-	0%
Total	<u>\$ 5,467,826</u>	<u>\$ 5,063,060</u>	<u>\$ 404,766</u>	8%

GENERAL BUDGETARY HIGHLIGHTS

The General Appropriation Act, Laws of 2018, Chapter 73, included a FY 2019 base general fund appropriation of \$120,307,400; a two percent (2%) compensation package of \$1,285,900; and a targeted compensation package of \$2,815,300 to implement Phase V of the New Mexico State Police Pay Plan, for a total FY 2019 general fund appropriation of \$124,408,600. The appropriation was \$5,339,800 more than the FY 2018 appropriation of \$119,068,800. The Department received \$1,758,978 in severance tax bond proceeds to purchase and equip law enforcement vehicles and two data processing appropriations totaling \$375,000 to purchase fingerprint machines and upgrade the New Mexico Law Enforcement Academy computer lab, and transferred \$196,481 to the General Services Department to renovate the newly-acquired New Mexico State Police Fleet Warehouse in Albuquerque.

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

The Department's capital assets, net of depreciation, are \$13,041,460 at June 30, 2019. Capital assets and investment in capital assets decreased by \$1,312,780 or 9.1%. The decrease is due to an increase in current-year depreciation and automobile retirements. The Department does not have any debt related to capital assets at June 30, 2019.

COMPENSATED ABSENCES

Total compensated absences are \$5,360,811 at June 30, 2019. Compensated absences increased by \$74,399 from FY 2018 to FY 2019 resulting from the computation of the accrued annual leave balance. This increase was due to implementation of Phase V of the New Mexico State Police Officer Pay Plan.

DEBT ADMINISTRATION

The Department does not have any long-term debt other than compensated absences.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019**

ECONOMIC FACTORS AFFECTING NEW MEXICO'S FISCAL YEAR 2019 BUDGET

New Mexico utilizes a consensus revenue estimating group (CREG) comprised of legislative and classified executive economists to forecast General Fund revenue so that the Executive and Legislature work with the same revenue forecast in preparing their respective General Fund operating budget recommendations. The CREG bases its State General revenue forecast on forecasts of the U.S. economy from IHS Global Insight and Moody's Analytics in combination with forecasts of the New Mexico economy prepared by the University of New Mexico's Bureau of Business and Economic Research and Moody's Analytics. Economic inputs are supplemented with information provided by state agencies, the Congressional Budget Office, and other national data sources. Historical information on the value and volume of crude oil and natural gas produced in the state is derived from the state's GenTax Database reporting system, and product price forecasts are derived from the national economic forecasting services and other sources.

TRENDS IN THE U.S. ECONOMY

The U.S. economy continued to grow in State fiscal year 2019. The national economy, as measured by real gross domestic, grew by 2.6 percent in fiscal year 2019. Total employment levels averaged 2.4 million, or 1.5 percent, above fiscal year 2018. U.S. average hourly wages grew by 3.2 percent, exceeding inflation of 2.1 percent.

U.S. economic growth is expected to continue at a moderate pace in fiscal year 2019, with projected GDP growth of 2.6 percent. In fiscal year 2019 the international trade war has created economic uncertainty and national analytics firms have warned of a potential recession on the horizon. The Federal Reserve is expected to lower short-term interest rates headed into fiscal year 2020, in an effort to bolster US economic strength. The Federal Reserve cites strong labor markets, a historic low unemployment rate, and strong household spending for a continued positive economic outlook.

NEW MEXICO ECONOMY

The New Mexico economy grew moderately in fiscal year 2019 and the energy sector continued to provide significant contributions. Reflective of New Mexico economic growth, state wages, and salaries grew by 4.9 percent and total personal income in the state grew by 4.6 percent. During fiscal year 2019, New Mexico employment growth averaged 1.9 percent, adding 15,800 jobs. During fiscal year 2019 the Mining Sector has continued to grow setting new record levels for rig count, oil production, and taxable gross receipts. The Mining sector added 2,000 jobs during fiscal year 2019. Other sectors driving growth in fiscal year 2019 were the Construction Sector, the Professional and Business Services Sector, and the Leisure and Hospitality sector increasing employment by 3,100 jobs, 2,000 jobs, and 1,800 jobs respectively.

Natural gas prices remained low in fiscal year 2019. Oil prices in fiscal year 2019 have remained lower than oil prices in fiscal year 2018. However, this has been offset by record levels of oil production in fiscal year 2019. Average New Mexico prices in fiscal year 2019 for crude oil and natural gas were \$51.80 per barrel and \$3.05 per mcf, respectively. New Mexico continued to be the third largest producing state for oil and the ninth largest for natural gas.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2019**

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, 2019 were:

Type	Measure	Target	Result
Law Enforcement Program:			
Output	Number of data-driven traffic-related enforcement projects held	1,700	3,308
Output	Number of driving-while-intoxicated saturation patrols conducted	975	3,416
Output	Number of driving-while-intoxicated arrests	2,250	2,171
Output	Number of commercial motor vehicle safety inspections conducted	70,000	95,041
Statewide Law Enforcement Support Program:			
Outcome	Percent of forensic firearm/toolmark cases completed	90%	66.9%
Outcome	Percent of forensic latent fingerprint cases completed	90%	118.0%
Outcome	Percent of forensic chemistry cases completed	90%	65.0%
Outcome	Percent of forensic biology and DNA cases completed	65%	87.0%

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
Chief Financial Officer
P.O. Box 1628
Santa Fe, NM 87504-1628

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FINANCIAL STATEMENTS

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF NET POSITION
JUNE 30, 2019**

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 336,625
Investment in State General Fund Investment Pool	10,439,521
Accounts Receivable, Net	329,726
Due from:	
Federal Government, Net	3,194,881
Other State Agencies	687,573
Components of the State	12,225
Local Governments	36,167
Prepaid Expenses	1,219
Total Current Assets	15,037,937
NONCURRENT ASSETS	
Capital Assets, Not Being Depreciated	52,352
Capital Assets Being Depreciated, Net of Accumulated Depreciation	12,989,110
Total Noncurrent Assets	13,041,462
 Total Assets	 \$ 28,079,399
LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable	\$ 4,394,551
Accrued Salaries and Benefits Payable	4,386,457
Unearned Revenue	23,519
Due to:	
Federal Government	3,202
State General Fund	715,686
Other	43,000
Other Liabilities	3,696
Current Portion of Long-Term Obligations	
Compensated Absences	5,360,811
Total Current Liabilities	14,930,922
NET POSITION	
Net Investment in Capital Assets	13,041,462
Restricted	5,697,571
Unrestricted	(5,590,556)
Total Net Position	13,148,477
 Total Liabilities and Net Position	 \$ 28,079,399

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services	Operating Grants	Governmental Activities	
GOVERNMENTAL ACTIVITIES				
Program Support	\$ (5,421,175)	\$ 271,629	\$ 1,444,600	\$ (3,704,946)
Law Enforcement	(120,242,603)	5,224,969	7,657,971	(107,359,663)
Statewide Law Enforcement Support	(18,029,484)	1,509,711	1,315,422	(15,204,351)
Total Governmental Activities	<u>\$ (143,693,262)</u>	<u>\$ 7,006,309</u>	<u>\$ 10,417,993</u>	(126,268,960)
GENERAL REVENUES				
State General Fund Appropriations				120,283,338
Weight Distance Tax Permit Fund Appropriations				94,500
Severance Tax Bond Appropriations				1,758,978
Special Appropriations				375,000
Gain on Disposal of Assets				918,248
Total General Revenues				123,430,064
TRANSFERS				
Interagency Transfer In (Out), Net				3,904,719
Reversions- FY2016 - Special Appropriation				(84,877)
Reversions- FY2018 - Special Appropriation				(665,374)
Reversions- FY2019 - General Fund Appropriation				(1,936,120)
Reversions- FY2019 - LGD Allotment				(41)
Net Transfers				1,218,307
CHANGE IN NET POSITION				
				(1,620,589)
Net Position - Beginning of Year				14,769,066
NET POSITION - END OF YEAR				\$ 13,148,477

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>General Fund 12800</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Investment in State General Fund			
Investment Pool	\$ 7,612,796	\$ 2,826,725	\$ 10,439,521
Cash in Banks	315,332	21,043	336,375
Cash on Hand	250	-	250
Accounts Receivable, Net	319,030	10,696	329,726
Due from:			
Federal Government, Net	3,194,881	-	3,194,881
Other State Agencies	685,973	1,600	687,573
Components of the State	10,515	1,710	12,225
Local Governments	10,917	25,250	36,167
Prepaid Expenses - Travel and Per Diem	1,219	-	1,219
	<u>\$ 12,150,913</u>	<u>\$ 2,887,024</u>	<u>\$ 15,037,937</u>
LIABILITIES			
Accounts Payable	\$ 4,168,269	\$ 226,282	\$ 4,394,551
Accrued Salaries and Benefits Payable	4,376,139	10,318	4,386,457
Unearned Revenue	23,519	-	23,519
Due to Federal Government	661	2,541	3,202
Due to State General Fund	715,686	-	715,686
Due to Other	43,000	-	43,000
Other Liabilities	3,212	484	3,696
Total Liabilities	<u>9,330,486</u>	<u>239,625</u>	<u>9,570,111</u>
FUND BALANCE			
Nonspendable:			
Petty Cash and Change Funds	250	-	250
Prepaid Expenses	1,219	-	1,219
Restricted	3,048,703	2,647,399	5,696,102
Unassigned	<u>(229,745)</u>	<u>-</u>	<u>(229,745)</u>
Total Fund Balance	<u>2,820,427</u>	<u>2,647,399</u>	<u>5,467,826</u>
	<u>\$ 12,150,913</u>	<u>\$ 2,887,024</u>	<u>\$ 15,037,937</u>
Total Liabilities and Fund Balance	<u>\$ 12,150,913</u>	<u>\$ 2,887,024</u>	<u>\$ 15,037,937</u>

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL
FUNDS TO STATEMENT OF NET POSITION
JUNE 30, 2019**

Total Fund Balance - Governmental Funds (Balance Sheet - Governmental Funds)	\$ 5,467,826
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.	13,041,462
Compensated Absences Liability, Not Recorded in the Governmental Funds, but Recorded as Liabilities in the Statement of Net Position.	<u>(5,360,811)</u>
Net Position of Governmental Activities (Statement of Net Position)	<u><u>\$ 13,148,477</u></u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019**

	General Fund (12800)	Other Non-Major Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Federal Grants	\$ 11,056,170	\$ -	\$ 11,056,170
Other Revenue	5,921,200	1,085,110	7,006,310
Total Revenues	<u>16,977,370</u>	<u>1,085,110</u>	<u>18,062,480</u>
EXPENDITURES			
Public Safety			
Current:			
Personal Services and Employee Benefits	104,705,292	330,827	105,036,119
Contractual Services	4,821,860	411,536	5,233,396
Other Costs	25,125,983	1,534,176	26,660,159
Capital Outlay	<u>4,577,167</u>	<u>864,755</u>	<u>5,441,922</u>
Total Expenditures	<u>139,230,302</u>	<u>3,141,294</u>	<u>142,371,596</u>
Excess (Deficiency) of Revenues Over Expenditures	(122,252,932)	(2,056,184)	(124,309,116)
OTHER FINANCING SOURCES (USES)			
State General Fund Appropriations	120,283,338	-	120,283,338
Weight Distance Tax Permit Fund Appropriations	94,500	-	94,500
Severance Tax Bond Appropriations	-	1,758,978	1,758,978
Proceeds from Sale of Property	983,759	-	983,759
Special Appropriations	375,000	-	375,000
Reversions- FY2016 - Special Appropriation	(84,877)	-	(84,877)
Reversions- FY2018 - Special Appropriation	(665,374)	-	(665,374)
Reversions- FY2019 - General Fund Appropriation	(1,936,120)	-	(1,936,120)
Reversions- FY2019 - LGD Allotment	(41)	-	(41)
Interagency Transfer In	4,101,200	-	4,101,200
Interagency Transfer Out	<u>(196,481)</u>	<u>-</u>	<u>(196,481)</u>
Total Other Financing Sources (Uses)	<u>122,954,904</u>	<u>1,758,978</u>	<u>124,713,882</u>
CHANGE IN FUND BALANCE	701,972	(297,206)	404,766
Fund Balance - Beginning of Year	<u>2,118,455</u>	<u>2,944,605</u>	<u>5,063,060</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,820,427</u>	<u>\$ 2,647,399</u>	<u>\$ 5,467,826</u>

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
RECONCILIATION OF STATEMENT OF REVENUES, EXPEDITURES, AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Net Changes in Fund Balance - Total Governmental Funds (Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds)	\$	404,766
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 Deferred Inflows of Resources in the Balance Sheet- Governmental Funds and Reported Revenue in the Statement of Activities).		(638,178)
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 Expense in the Statement of Activities.		
Capital Asset Additions	\$ 5,441,922	
Depreciation Expense	<u>(6,689,189)</u>	
Total		(1,247,267)
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.		
Loss Reported on Capital assets		(65,511)
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>(74,399)</u>
Change in Net Position of Governmental Activities (Statement of Activities)	\$	<u><u>(1,620,589)</u></u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Excluding Multi-Year Funds Program Support - P503			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ 4,170,200	\$ 4,170,200	\$ 4,170,200	\$ -
Other Appropriations	-	-	-	-
Federal Funds	3,696,100	3,696,100	1,159,630	2,536,470
Other State Funds	-	-	36,238	(36,238)
Other Financing Sources	-	-	-	-
Total Revenues	7,866,300	7,866,300	5,366,068	\$ 2,500,232
Prior Year Fund Balance Budgeted	-	-	-	
Total	\$ 7,866,300	\$ 7,866,300		
EXPENDITURES				
Personal Services and Benefits	\$ 4,324,500	\$ 4,114,500	3,242,965	\$ 871,535
Contract Services	152,300	223,300	210,620	12,680
Other	3,389,500	3,528,500	1,420,776	2,107,724
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	\$ 7,866,300	\$ 7,866,300	4,874,361	\$ 2,991,939
Excess (Deficiency) of Revenue Over Expenditures			491,707	
GAAP Basis Reconciliation				
Reversion to State General Fund			(498,523)	
Net Change in Fund Balance			\$ (6,816)	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Excluding Multi-Year Funds Law Enforcement - P504			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ 107,809,800	\$ 107,809,800	\$ 107,809,800	\$ -
Other Appropriations	-	-	-	-
Federal Funds	11,416,400	11,416,400	8,669,531	2,746,869
Other State Funds	4,311,200	4,311,200	2,877,455	1,433,745
Other Financing Sources	-	-	(24,062)	24,062
Total Revenues	<u>123,537,400</u>	<u>123,537,400</u>	<u>119,332,724</u>	<u>\$ 4,204,676</u>
Prior Year Fund Balance Budgeted	-	-		
Total	<u>\$ 123,537,400</u>	<u>\$ 123,537,400</u>		
EXPENDITURES				
Personal Services and Benefits	\$ 94,024,600	\$ 94,024,600	91,008,870	\$ 3,015,730
Contract Services	2,701,100	2,701,100	2,170,031	531,069
Other	26,811,700	26,611,700	24,058,191	2,553,509
Other Financing Uses	-	200,000	196,481	3,519
Total Budgeted Expenditures	<u>\$ 123,537,400</u>	<u>\$ 123,537,400</u>	<u>117,433,573</u>	<u>\$ 6,103,827</u>
Excess (Deficiency) of Revenue Over Expenditures			1,899,151	
GAAP Basis Reconciliation				
Reversion to State General Fund			<u>(58,085)</u>	
Net Change in Fund Balance			<u>\$ 1,841,066</u>	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Excluding Multi-Year Funds Statewide Law Enforcement Support - P786			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ 12,523,100	\$ 12,523,100	\$ 12,523,100	\$ -
Other Appropriations	-	-	-	-
Federal Funds	2,933,000	2,933,000	1,223,183	1,709,817
Other State Funds	4,391,200	4,391,200	3,991,264	399,936
Other Financing Sources	-	-	-	-
Total Revenues	<u>19,847,300</u>	<u>19,847,300</u>	<u>17,737,547</u>	<u>\$ 2,109,753</u>
Prior Year Fund Balance Budgeted	-	-		
Total	<u>\$ 19,847,300</u>	<u>\$ 19,847,300</u>		
EXPENDITURES				
Personal Services and Benefits	\$ 11,443,300	\$ 11,443,300	10,372,305	\$ 1,070,995
Contract Services	2,171,700	2,784,000	2,024,671	759,329
Other	6,232,300	5,620,000	4,019,270	1,600,730
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	<u>\$ 19,847,300</u>	<u>\$ 19,847,300</u>	<u>16,416,246</u>	<u>\$ 3,431,054</u>
Excess (Deficiency) of Revenue Over Expenditures			1,321,301	
GAAP Basis Reconciliation				
Reversion to State General Fund			<u>(1,379,552)</u>	
Net Change in Fund Balance			<u>\$ (58,251)</u>	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Multi-Year Funds Recap			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
General Fund Appropriation	\$ 5,025,000	\$ 5,025,000	\$ 375,000	\$ 4,650,000
Other Appropriations	-	-	-	-
Federal Funds	-	-	-	-
Other State Funds	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	<u>5,025,000</u>	<u>5,025,000</u>	<u>375,000</u>	<u>\$ 4,650,000</u>
Prior Year Fund Balance Budgeted	<u>2,010,264</u>	<u>2,010,264</u>		
Total	<u>\$ 7,035,264</u>	<u>\$ 7,035,264</u>		
EXPENDITURES				
Personal Services and Benefits	\$ 570,600	\$ 570,600	\$ 81,156	\$ 489,445
Contract Services	889,986	889,986	416,539	473,447
Other	5,574,678	5,574,678	204,914	5,369,764
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	<u>\$ 7,035,264</u>	<u>\$ 7,035,264</u>	<u>702,608</u>	<u>\$ 6,332,656</u>
Excess (Deficiency) of Revenue Over Expenditures			(327,608)	
GAAP Basis Reconciliation Reversion to State General Fund			<u>(750,252)</u>	
Net Change in Fund Balance			<u>\$ (1,077,860)</u>	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Multi-Year Funds Z50724 Implement RMS - Expires June 30, 2019			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other Appropriations	-	-	-	-
Federal Funds	-	-	-	-
Other State Funds	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	-	-	-	\$ -
Prior Year Fund Balance Budgeted	202,708	202,708		
Total	\$ 202,708	\$ 202,708		
EXPENDITURES				
Personal Services and Benefits	\$ -	\$ -	-	\$ -
Contract Services	202,708	202,708	202,708	-
Other	-	-	-	-
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	\$ 202,708	\$ 202,708	202,708	\$ -
Excess (Deficiency) of Revenue Over Expenditures			(202,708)	
GAAP Basis Reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			\$ (202,708)	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Multi-Year Funds ZA0547 Backlogged Rape Kits - Expires June 30, 2019			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other Appropriations	-	-	-	-
Federal Funds	-	-	-	-
Other State Funds	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	-	-	-	<u>\$ -</u>
Prior Year Fund Balance Budgeted	<u>289,778</u>	<u>289,778</u>		
Total	<u>\$ 289,778</u>	<u>\$ 289,778</u>		
EXPENDITURES				
Personal Services and Benefits	\$ 50,000	\$ 50,000	18,130	\$ 31,870
Contract Services	-	-	-	-
Other	239,778	239,778	204,820	34,958
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	<u>\$ 289,778</u>	<u>\$ 289,778</u>	<u>222,950</u>	<u>\$ 66,828</u>
Excess (Deficiency) of Revenue Over Expenditures			(222,950)	
GAAP Basis Reconciliation				
Reversion to State General Fund			<u>(84,877)</u>	
Net Change in Fund Balance			<u>\$ (307,827)</u>	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Multi-Year Funds ZA0720 Criminal History Clearing House - Expires June 30, 2020			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other Appropriations	-	-	-	-
Federal Funds	-	-	-	-
Other State Funds	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	-	-	-	<u>\$ -</u>
Prior Year Fund Balance Budgeted	150,000	150,000		
Total	<u>\$ 150,000</u>	<u>\$ 150,000</u>		
EXPENDITURES				
Personal Services and Benefits	\$ -	\$ -	-	\$ -
Contract Services	150,000	150,000	150,000	-
Other	-	-	-	-
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>150,000</u>	<u>\$ -</u>
Excess (Deficiency) of Revenue Over Expenditures			(150,000)	
GAAP Basis Reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			<u>\$ (150,000)</u>	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Multi-Year Funds ZC5598 Flash Roll - Expires June 30, 2020			
	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	100,000	100,000		
Total	\$ 100,000	\$ 100,000		
EXPENDITURES				
Personal Services and Benefits	\$ -	\$ -	-	\$ -
Contract Services	-	-	-	-
Other	100,000	100,000	-	100,000
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	\$ 100,000	\$ 100,000	-	\$ 100,000
Excess (Deficiency) of Revenue Over Expenditures			-	
GAAP Basis Reconciliation Reversion to State General Fund			-	
Net Change in Fund Balance			\$ -	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Multi-Year Funds ZC5601 Conduct Investigations - Expires June 30, 2019			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other Appropriations	-	-	-	-
Federal Funds	-	-	-	-
Other State Funds	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Prior Year Fund Balance Budgeted	728,400	728,400		
Total	<u>\$ 728,400</u>	<u>\$ 728,400</u>		
EXPENDITURES				
Personal Services and Benefits	\$ 513,100	\$ 513,100	63,026	\$ 450,074
Contract Services	30,400	30,400	-	30,400
Other	184,900	184,900	-	184,900
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	<u>\$ 728,400</u>	<u>\$ 728,400</u>	<u>63,026</u>	<u>\$ 665,374</u>
Excess (Deficiency) of Revenue Over Expenditures			(63,026)	
GAAP Basis Reconciliation Reversion to State General Fund			<u>(665,374)</u>	
Net Change in Fund Balance			<u>\$ (728,400)</u>	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Multi-Year Funds ZC7032 Records Management System - Expires June 30, 2020			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
General Fund Appropriation	\$ -	\$ -	\$ -	\$ -
Other Appropriations	-	-	-	-
Federal Funds	-	-	-	-
Other State Funds	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Prior Year Fund Balance Budgeted	539,378	539,378		
Total	<u>\$ 539,378</u>	<u>\$ 539,378</u>		
EXPENDITURES				
Personal Services and Benefits	\$ 7,500	\$ 7,500	-	\$ 7,500
Contract Services	506,878	506,878	63,831	443,047
Other	25,000	25,000	94	24,906
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	<u>\$ 539,378</u>	<u>\$ 539,378</u>	<u>63,925</u>	<u>\$ 475,453</u>
Excess (Deficiency) of Revenue Over Expenditures			(63,925)	
GAAP Basis Reconciliation Reversion to State General Fund			<u>-</u>	
Net Change in Fund Balance			<u>\$ (63,925)</u>	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Multi-Year Funds ZD5096 Lapel Cameras - Expires June 30, 2020			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ 3,100,000	\$ 3,100,000	\$ -	\$ 3,100,000
Other Appropriations	-	-	-	-
Federal Funds	-	-	-	-
Other State Funds	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	3,100,000	3,100,000	-	\$ 3,100,000
Prior Year Fund Balance Budgeted	-	-		
Total	\$ 3,100,000	\$ 3,100,000		
EXPENDITURES				
Personal Services and Benefits	\$ -	\$ -	-	\$ -
Contract Services	-	-	-	-
Other	3,100,000	3,100,000	-	3,100,000
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	\$ 3,100,000	\$ 3,100,000	-	\$ 3,100,000
Excess (Deficiency) of Revenue Over Expenditures			-	
GAAP Basis Reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			\$ -	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Multi-Year Funds ZD5097 Police Vehicles - Expires June 30, 2020			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 1,500,000
Other Appropriations	-	-	-	-
Federal Funds	-	-	-	-
Other State Funds	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	1,500,000	1,500,000	-	\$ 1,500,000
Prior Year Fund Balance Budgeted	-	-		
Total	\$ 1,500,000	\$ 1,500,000		
EXPENDITURES				
Personal Services and Benefits	\$ -	\$ -	-	\$ -
Contract Services	-	-	-	-
Other	1,500,000	1,500,000	-	1,500,000
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	\$ 1,500,000	\$ 1,500,000	-	\$ 1,500,000
Excess (Deficiency) of Revenue Over Expenditures			-	
GAAP Basis Reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			\$ -	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Multi-Year Funds ZD9296 Traffic Reconstruction Equipment - Expires June 30, 2020			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ 50,000	\$ 50,000	\$ -	\$ 50,000
Other Appropriations	-	-	-	-
Federal Funds	-	-	-	-
Other State Funds	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>\$ 50,000</u>
Prior Year Fund Balance Budgeted	-	-		
Total	<u>\$ 50,000</u>	<u>\$ 50,000</u>		
EXPENDITURES				
Personal Services and Benefits	\$ -	\$ -	-	\$ -
Contract Services	-	-	-	-
Other	50,000	50,000	-	50,000
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>-</u>	<u>\$ 50,000</u>
Excess (Deficiency) of Revenue Over Expenditures			-	
GAAP Basis Reconciliation Reversion to State General Fund			<u>-</u>	
Net Change in Fund Balance			<u>\$ -</u>	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Fund 12800 Multi-Year Funds ZD9105 Fingerprint Machines - Expires June 30, 2020				
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Other Appropriations	-	-	-	-
Federal Funds	-	-	-	-
Other State Funds	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	300,000	300,000	300,000	\$ -
Prior Year Fund Balance Budgeted	-	-		
Total	\$ 300,000	\$ 300,000		
EXPENDITURES				
Personal Services and Benefits	\$ -	\$ -	-	\$ -
Contract Services	-	-	-	-
Other	300,000	300,000	-	300,000
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	\$ 300,000	\$ 300,000	-	\$ 300,000
Excess (Deficiency) of Revenue Over Expenditures			300,000	
GAAP Basis Reconciliation				
Reversion to State General Fund			-	
Net Change in Fund Balance			\$ 300,000	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(MODIFIED ACCRUAL BASIS) – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2019**

	Fund 12800 Multi-Year Funds ZD9106 Computer Lab Upgrades - Expires June 30, 2020			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
General Fund Appropriation	\$ 75,000	\$ 75,000	\$ 75,000	\$ -
Other Appropriations	-	-	-	-
Federal Funds	-	-	-	-
Other State Funds	-	-	-	-
Other Financing Sources	-	-	-	-
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>\$ -</u>
Prior Year Fund Balance Budgeted	-	-		
Total	<u>\$ 75,000</u>	<u>\$ 75,000</u>		
EXPENDITURES				
Personal Services and Benefits	\$ -	\$ -	-	\$ -
Contract Services	-	-	-	-
Other	75,000	75,000	-	75,000
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	<u>\$ 75,000</u>	<u>\$ 75,000</u>	<u>-</u>	<u>\$ 75,000</u>
Excess (Deficiency) of Revenue Over Expenditures			75,000	
GAAP Basis Reconciliation				
Reversion to State General Fund			<u>-</u>	
Net Change in Fund Balance			<u>\$ 75,000</u>	

See accompanying Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF FIDUCIARY ASSETS AND
LIABILITIES – AGENCY FUNDS
JUNE 30, 2019**

	Agency Funds
ASSETS	
Interest in State General Fund Investment Pool	\$ 126,583
Cash in Banks	178,238
Total Assets	\$ 304,821
LIABILITIES	
Assets Held for Others	\$ 304,821
Total Liabilities	\$ 304,821

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NOTES TO FINANCIAL STATEMENTS

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 HISTORY AND FUNCTION

Organization

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:

- New Mexico State Police
- Enforcement portion of the Alcoholic Beverage Control
- Law Enforcement Academy
- Civil Emergency Preparedness Division of the Office of Military Affairs
- Hazardous Materials Emergency Response Program
- 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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. GASB is the standard-setting body for governmental accounting and financial reporting. 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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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 is 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.

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 and within 90 days of the current fiscal period for federal revenue. 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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements - Fund Financial Statements (Continued)

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

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

The financial transactions of the Department are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, 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.

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 or fund liabilities.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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 nonreverting 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 nonreverting 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. The Laws of 2015, 1st Session, Chapter 152 prohibit agencies from seizing money and property starting July 1, 2015. Agencies with fund balances at June 30, 2014 were allowed to expend these remaining funds through June 30, 2018. The remaining balance was reverted to the State General Fund at the end of fiscal year 2018 audit. The fund needs to be formally closed.

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: The Laws of 2015, 1st Session, Chapter 152 prohibit agencies from seizing money and property starting July 1, 2015. Agencies with fund balances at June 30, 2014 were allowed to expend these remaining funds through June 30, 2018. Any remaining balance must be reverted to the U.S. Department of Justice.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements - Fund Financial Statements (Continued)

Governmental Fund Types (Continued)

- 34600 Peace Officers' Survival Fund - The Peace Officers' Survival Fund was established in accordance with Section 29-4A-4, NMSA 1978 Compilation to account for monies held as supplemental death benefits to the spouses and surviving children of New Mexico peace officers killed in the line of duty on or after April 5, 1995. A review committee consisting of the New Mexico Attorney General, State Police Chief and State President of the Fraternal Order of Police determine eligibility. It is a nonreverting fund.
- 59400 Concealed Handgun Carry Fund - The Concealed Handgun Carry Fund was established in accordance with Section 29-19-13, NMSA 1978 to carry out the provisions of the Concealed Handgun Carry Act. It is a nonreverting 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 nonreverting fund.
- 67950 Taxation and Revenue Department Distribution Sexual Assault Evidence Kit (SAEK) Program - The SAEK Program Fund was established in accordance with Laws of 2017, 1st Session, Chapter 116 to reduce the backlog of sexual assault evidence kits via voluntary check-off on the Personal Income Tax - D form starting tax year January 1, 2017. This is a nonreverting 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. Agencies with fund balances at June 30, 2014 were allowed to expend these remaining funds through June 30, 2018. Any remaining balance must be reverted to the U.S. Department of Treasury.
- 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. Laws of 2015, Senate Bill 95, Chapter 3, modified the fund to become a nonreverting fund.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements - Fund Financial Statements (Continued)

Governmental Fund Types (Continued)

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 nonbudgeted and nonreverting 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 nonbudgeted and nonreverting fund.

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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements - Fund Financial Statements (Continued)

Fiduciary Fund Types (Continued)

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.

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.

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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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 Standards 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 Net 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 Net Position and GASB 63 introduced the term net position for reporting the residual of all elements in a Statement of Net Position. The Statement of Net Position of the Department conforms to the presentation requirements of GASB 63.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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.
- 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 noncurrent liabilities. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

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

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

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

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

- a) No later than September 1, the Department submits to the Legislative Finance Committee (LFC) and the Budget Division of the Department of Finance and Administration (DFA) an appropriation request for the fiscal year commencing the following July 1. The appropriation request includes proposed expenditures and the revenue.
- 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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

- d) No later than May 1, the Department submits to DFA an annual operating budget by appropriation unit and object code based upon the appropriation made by the Legislature. The DFA Budget Division reviews and approves the operating budget which becomes effective on July 1. All subsequent budgetary adjustments must be approved by the Director of the DFA Budget Division and by LFC.

- e) Per the 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.

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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

The Department actively pursues 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 receivable 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 Department's legal department for possible legal collections actions. The balance of net receivables through the end of FY2019 was \$329,726.

Due to State General Fund (Reversions)

Reversions by the Department are based on the definitions of both reverting and nonreverting funds. The Department calculates reversions by determining the excess of accrued revenues over accrued expenditures for its general fund appropriation, compensation appropriation, weight distance appropriation, and other reverting state funds as of June 30 of each fiscal year. 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 Components of the State

A due from/to components of the state 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 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 and are included in the governmental fund financial statements. The due from/to account is typically used in conjunction with a fund and fund affiliate so at the state level they are reconciled.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 their acquisition value at the time of acquisition. 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.

Furniture and Fixtures	10 Years
Equipment and Machinery	5
Automobiles	4
Aircraft	10
Buildings and Structures	20
Data Processing Equipment	3
Livestock and Animals	2

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

Accrued Compensated Absences - Annual Leave

New Mexico State Police officers accumulate annual leave as follows:

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

Classified service employees accumulate annual leave as follows:

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

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences - Annual Leave (Continued)

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

Employees who have over 600 hours of accumulated sick leave can receive payment for hours over 600, up to 120 hours, in the first full pay period in July or January of each year. However, sick leave is paid at fifty percent of the employee's regular hourly wage. At retirement, employees can receive fifty percent payment for up to 400 hours for the hours over 600 hours of accumulated sick leave. Therefore, the sick leave accrued represents the hours earned as of June 30, 2019, 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 noncurrent 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, 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 \$13,041,462 at June 30, 2019. 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 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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Classifications

The agency's fund balances represent: 1) Nonspendable category of fund balance consists of the net financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact; 2) 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 \$5,696,102; 3) 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; 4) 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; and 5) Unassigned purposes, consists of balances that are the least constrained. A summary of the nature and purpose of these reserves by fund type at June 30, 2019, is as follows:

Nonspendable. This reserve was created to represent the portion of the fund balance that is not available for expenditures, such categories of fund balance are petty cash for the Law Enforcement Records Bureau and Prepaid Expenses for travel.

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. This includes the Certificate of Deposit for Motor Transportation, stand-alone bank accounts and the New Mexico State Police Flashroll.

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. The Department held no committed fund balance at June 30, 2019.

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. The Department held no assigned fund balance at June 30, 2019.

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. There is a deficit fund balance in the category of unassigned fund balance in the General Fund in the amount of \$229,745.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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 balances 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 Balance Sheet - Governmental Funds.

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 amounts received from a vendor in advance of expenditures occurring, whereas certain eligibility requirements have not yet been met.

Other Revenues and Transfers

Other revenues consist primarily of the State's portion of operating grant revenue, not considered federal and revenue generated from external sources.

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

New Mexico Public Employees Retirement Association (PERA)

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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Mexico Public Employees Retirement Association (PERA) (Continued)

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:

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

Classification of Expenses

The Department has classified its expenses as either operating or nonoperating 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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As provided for in Chapter 8-6 of the New Mexico Statutes Annotated 1978, the State Treasurer shall receive and keep all monies of the State, except when otherwise provided, and shall disburse the public money upon lawful warrants. The State Treasurer's Office (STO) acts as the State's bank. Agency cash receipts are deposited with STO and pooled in a State Investment Fund. When amounts are greater than immediate needs they are placed into short-term investments. When agencies make payments to vendors and employees they are made from this pool and their claims on the pool reduced.

The State Controller indicated on September 17, 2019 that as of June 30, 2019, resources held in the pool were equivalent to the corresponding business unit claims on those resources and all claims as recorded in SHARE shall 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.

At June 30, 2019, the Department had \$10,566,104 invested in the General Fund Investment Pool.

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.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

**NOTE 3 INTEREST IN STATE TREASURER GENERAL FUND INVESTMENT POOL AND CASH
(CONTINUED)**

Cash Equivalents on Deposit with State Treasurer's Office (Continued)

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, 2019.

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, 2019.

Cash in Banks

The Department holds cash balances in Bank of America and Wells Fargo, N.A. The amounts in each bank do not exceed federal deposit insurance corporation limits.

The short-term investment is managed by the Department in an authorized bank account at Wells Fargo, NA. The source of the investment is a certificate of deposit origination from the Motor Transportation Division. The amount of the short-term investment is covered by the federal deposit insurance corporation and does not require collateralization. See the Schedule of Cash Balances in the Other Supplementary Information Section.

NOTE 4 ACCOUNTS RECEIVABLE, NET

The aging of accounts receivable as of June 30, 2019:

<u>Number of Days Outstanding</u>	<u>Amount</u>
0-30	\$ 10,696
31-60	1,300
61-90	1,000
91-120	507,932
121-Beyond	424,899
Total	<u>945,827</u>
Allowance for Uncollectible Accounts	<u>(616,101)</u>
Net Total	<u><u>\$ 329,726</u></u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 DUE FROM FEDERAL GOVERNMENTS, NET

The due from federal governments, net consists of the following as of June 30, 2019:

Agency	Total
Executive Office of the President	\$ 161,313
Miscellaneous Federal Agencies	24,109
U.S. Department of Homeland Security	173,937
U.S. Department of Justice	1,124,969
U.S. Department of Transportation	1,710,553
Total	<u>\$ 3,194,881</u>

NOTE 6 DUE FROM OTHER STATE AGENCIES

The due from other state agencies consists of the following as of June 30, 2019:

Fund Description	Fund Number	Total	Due From	
			Business Unit	Fund Number
General Operating Fund	12800	\$ 45	30800	11100
General Operating Fund	12800	15	39400	18200
General Operating Fund	12800	330	42000	43301
General Operating Fund	12800	214,686	51600	19800
General Operating Fund	12800	15	53900	09800
General Operating Fund	12800	5,121	63000	05200
General Operating Fund	12800	150,000	77000	90700
General Operating Fund	12800	101,337	80500	10010
General Operating Fund	12800	27,241	80500	20100
General Operating Fund	12800	184,181	80500	20800
General Operating Fund	12800	2,582	80500	20800
General Operating Fund	12800	360	94000	94300
General Operating Fund	12800	60	43000	55001
		<u>685,973</u>		
Law Enforcement Advanced Training	78600	1,400	42000	43301
	78600	200	25100	25800
		<u>1,600</u>		
Total Government Funds		<u>\$ 687,573</u>		

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 DUE FROM COMPONENTS OF THE STATE

The due from components of the state consists of the following as of June 30, 2019:

Component	Purpose	Amount
New Mexico Highlands University	Event Security	\$ 1,250
New Mexico Military Institute	Event Security	450
Eastern New Mexico University	Event Security	10
New Mexico State University	Event Security	4,485
University of New Mexico	Event Security	6,030
Total		<u>\$ 12,225</u>

NOTE 8 DUE TO COMPONENTS OF THE STATE

The due to components of the state consists of the following as of June 30, 2019:

Component	Purpose	Amount
University of New Mexico	System Update	\$ 43,000
Total		<u>\$ 43,000</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 9 CAPITAL ASSETS

The capital assets activity for the year ended June 30, 2019, is as follows:

	Balance June 30, 2018	Additions	Retirements	Balance June 30, 2019
Capital Assets Not Being Depreciated				
Land	\$ 14,394	\$ -	\$ -	\$ 14,394
Land Improvements	37,958	-	-	37,958
Construction in Progress	-	-	-	-
Total Capital Assets Not Being Depreciated	52,352	-	-	52,352
Other Capital Assets				
Furniture and Fixtures	468,701	-	-	468,701
Equipment and Machinery	10,900,231	120,362	-	11,020,593
Automobile	36,570,711	4,873,877	(4,129,740)	37,314,848
Aircraft	6,772,900	-	-	6,772,900
Buildings and Structures	1,654,192	-	-	1,654,192
Data Processing Equipment	11,121,892	447,683	-	11,569,575
Livestock and Animals	157,293	-	(22,733)	134,560
Total Other Capital Assets	67,645,920	5,441,922	(4,152,473)	68,935,369
Accumulated Depreciation for:				
Furniture and Fixtures	246,242	37,018	-	283,260
Equipment and Machinery	9,758,641	430,101	-	10,188,742
Automobile	26,556,277	4,723,734	(4,064,229)	27,215,782
Aircraft	5,813,406	677,290	-	6,490,696
Buildings and Structures	1,054,219	69,809	-	1,124,028
Data Processing Equipment	9,765,379	743,812	-	10,509,191
Livestock and Animals	149,868	7,425	(22,733)	134,560
Total Accumulated Depreciation	53,344,032	6,689,189	(4,086,962)	55,946,259
Net Other Capital Assets	14,301,888	-	-	-
Capital Assets Summary:				
Capital Assets Not Being Depreciated	52,352	-	-	52,352
Other Capital Assets, At Cost	67,645,920	5,441,922	(4,152,473)	68,935,369
Total Cost of Capital Assets	67,698,272	5,441,922	(4,152,473)	68,987,721
Accumulated Depreciation	53,344,032	6,689,189	(4,086,962)	55,946,259
Net Capital Assets	<u>\$ 14,354,240</u>	<u>\$ (1,247,267)</u>	<u>\$ (65,511)</u>	<u>\$ 13,041,462</u>

The Department does not have any debt related to capital assets at June 30, 2019. Depreciation expense for the Department amounted to \$6,689,189 and is allocated as follows:

Depreciation Expense Reported to P503 - Program Support	\$ 3,304
Depreciation Expense Reported to P504 - Law Enforcement Program	6,157,102
Depreciation Expense Reported to P786 - Statewide Law Enforcement Support	528,783
Total Depreciation Expense	<u>\$ 6,689,189</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 10 OPERATING TRANSFERS

Transfers Outside of Agency - Transfer In (Transfer Out):

<u>Purpose</u>	<u>Transferring Agency</u>	<u>DFA 34100</u>	<u>Taxation and Revenue 33300</u>	<u>Total All Inter-Agency Transfers</u>
Weight Distance Tax Permit Appropriation	Taxation and Revenue Department - Fund 99400	\$ -	\$ 94,500	\$ 94,500
Severance Tax Bond Appropriations	Department of Finance and Administration - Fund 43120	1,758,978	-	1,758,978
General Fund Appropriations	Department of Finance and Administration - Fund 85300	120,283,338	-	120,283,338
Special Appropriation for Fingerprint Machines	Department of Finance and Administration - Fund 85300	300,000	-	300,000
Special Appropriation for Computer Upgrades	Department of Finance and Administration - Fund 85300	75,000	-	75,000
General Fund Appropriations - Compensation Package	Department of Finance and Administration - Fund 62000	4,101,200	-	4,101,200
Total		<u>\$ 126,518,516</u>	<u>\$ 94,500</u>	<u>\$ 126,613,016</u>

Transfer to Other Agencies

<u>Agency</u>	<u>Transferring Fund</u>	<u>Amount</u>
General Services Department	General - Fund 12800	<u>\$ (196,481)</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 11 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, 2019.

A summary of changes in the compensated absences payable for the year ended June 30, 2019, is as follows:

	Balance June 30, 2018	Increase	Decrease	Balance June 30, 2019	Due Within One Year
Compensated Absences Payable	\$ 5,286,412	\$ 8,391,677	\$ (8,317,278)	\$ 5,360,811	\$ 5,360,811

The general fund pays compensated absences. The Department has identified that compensated absences should be a liability that is due after one year. Historically, any leave paid out upon an employee's departure occurs in the current year and is reflected in the overall decrease column based on current pay rates and hours accumulated.

NOTE 12 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.

Current year reversions to the State General Fund for the Department's reversion of expired appropriations and other state funds at June 30, 2019 were as follows:

Fund Description	Fund Number	Description	Total
General Fund	12800	FY19 Unexpended General Appropriation	\$ 1,936,120
General Fund	12800	FY16 Unexpended Special Appropriation ZA0547	84,877
General Fund	12800	FY18 Unexpended Special Appropriation ZC5601	665,374
General Fund	12800	FY19 allotment from Local Government Div	41
Total Reversions			<u>\$ 2,686,412</u>

Current year reversions recorded as Due To The State General Fund at June 30, 2019 are:

General Fund	12800	Appropriation	\$ 715,645
General Fund	12800	Division	41
Total			<u>\$ 715,686</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 13 LEASE COMMITMENTS (LESSEE AND LESSOR)

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$ 636,020
2021	633,952
2022	505,277
2023	446,980
2024	284,649
Thereafter	761,445
Total	<u><u>\$ 3,268,323</u></u>

During the year ended June 30, 2019, facilities and equipment rent expense was approximately \$868,463. 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.

The Department is also the lessor in which it leases space in one of its buildings to another state agency.

Future minimum annual lease revenue under this lease agreement are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$ 24,619
2021	24,619
2022	24,619
2023	24,619
2024	24,619
Thereafter	-
Total	<u><u>\$ 123,095</u></u>

During the year ended June 30, 2019, the Department received \$14,417 of rent revenue related to this agreement.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 14 CONTINGENT LIABILITIES AND JUDGEMENTS

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 has been recorded.

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 PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description

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.

The Departments contributions to PERA for fiscal year ending June 30, 2019 were \$13,073,620, which equals the amount of the required contributions for the fiscal year.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 16 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.

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.

Postemployment Benefits - GASB 75

Compliant with the requirements of Government Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State of New Mexico has implemented this standard for the fiscal year ended June 30, 2019.

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 postemployment health care plan that provides comprehensive group health insurance for persons who have retired from certain public service positions in New Mexico. The other postemployment benefits (OPEB) Plan is administered by the Retiree Health Care Authority of the State of New Mexico. Overall, total OPEB liability exceeds OPEB Plan net position resulting in a net OPEB liability. The State has determined the State's share of the net OPEB liability to be a liability of the State as a whole, rather than any agency or department of the State and the liability will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

**NOTE 16 POST EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

Postemployment Benefits - GASB 75 (Continued)

Information concerning the net liability, benefit expense, and benefit-related deferred inflows and deferred outflows of resources of the primary government will be contained in the State of New Mexico Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019 and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

The Departments contributions to RHCA for the year ending June 30, 2019 were \$1,361,474, which equals the amount of the required contributions for each fiscal year.

NOTE 17 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, 2015 through June 30, 2019.

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 coverages for State of New Mexico employees.

The Department paid Risk Management for the fiscal year ended June 30, 2019, \$5,183,159 of 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, 2019, the Department had no claims for which the Risk Management Division has returned as "not covered" that would become the responsibility of the Department.

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SUPPLEMENTARY INFORMATION

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
COMBINING BALANCE SHEET – NON-MAJOR
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	State Chemist Fees Fund 27200	State Forfeitures (CSA) Fund 34200	Federal Forfeitures Fund US DOJ State Police 34300	Peace Officers' Survival Fund 34600
ASSETS				
Investment in State General Fund				
Investment Pool	\$ 736,295	\$ -	\$ 3,821	\$ 108,087
Cash in Banks	-	-	-	-
Cash on Hand	-	-	-	-
Accounts Receivable, Net	-	-	-	-
Due From:				
Federal Government, Net	-	-	-	-
Other State Agencies	-	-	-	-
Components of the State	-	-	-	-
Local Governments	-	-	-	-
Prepaid Expenses - Travel & Per Diem	-	-	-	-
Total Assets	<u>\$ 736,295</u>	<u>\$ -</u>	<u>\$ 3,821</u>	<u>\$ 108,087</u>
LIABILITIES				
Accounts Payable	\$ 27,826	\$ -	\$ -	\$ -
Accrued Salaries and Benefits Payable	2,786	-	-	-
Unearned Revenue	-	-	-	-
Compensated Absences	-	-	-	-
Due to Federal Government	-	-	2,074	-
Due to Other State Agencies	-	-	-	-
Due to State General Fund	-	-	-	-
Due to Other	-	-	-	-
Other Liabilities	-	-	-	-
Tax Liability on Notes Payable	-	-	-	-
Total Liabilities	<u>30,612</u>	<u>-</u>	<u>2,074</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Amounts Unavailable (Not Received				
Within Period of Availability)	-	-	-	-
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Restricted	705,683	-	1,747	108,087
Unassigned	-	-	-	-
Total Fund Balance	<u>705,683</u>	<u>-</u>	<u>1,747</u>	<u>108,087</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 736,295</u>	<u>\$ -</u>	<u>\$ 3,821</u>	<u>\$ 108,087</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
COMBINING BALANCE SHEET – NON-MAJOR
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019**

Concealed Handgun Carry Fund 59400	Orphan Materials Recovery Fund 67000	Sexual Assault Voluntary Contribution Fund 67950	Federal Forfeitures Fund US Treasury State Police 71990	Law Enforcement Advanced Training Fund 78600	Special Donations Fund 88200
\$ 1,620,794	\$ 5,029	\$ 17,633	\$ 618	\$ 328,813	\$ 5,635
-	-	-	-	-	-
-	-	-	-	-	-
10,696	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,600	-
-	-	-	-	1,710	-
-	-	-	-	25,250	-
-	-	-	-	-	-
<u>\$ 1,631,490</u>	<u>\$ 5,029</u>	<u>\$ 17,633</u>	<u>\$ 618</u>	<u>\$ 357,373</u>	<u>\$ 5,635</u>
\$ 180,715	\$ -	\$ -	\$ -	\$ 17,741	\$ -
7,532	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	467	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
484	-	-	-	-	-
-	-	-	-	-	-
<u>188,731</u>	<u>-</u>	<u>-</u>	<u>467</u>	<u>17,741</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,442,759	5,029	17,633	151	339,632	5,635
-	-	-	-	-	-
<u>1,442,759</u>	<u>5,029</u>	<u>17,633</u>	<u>151</u>	<u>339,632</u>	<u>5,635</u>
<u>\$ 1,631,490</u>	<u>\$ 5,029</u>	<u>\$ 17,633</u>	<u>\$ 618</u>	<u>\$ 357,373</u>	<u>\$ 5,635</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
COMBINING BALANCE SHEET – NON-MAJOR
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019**

	Crime Stoppers Reward Fund 89400	Total Special Revenue Funds	STB Capital Outlay Fund 89200	GF Capital Outlay Fund 93100
ASSETS				
Investment in State General Fund				
Investment Pool	\$ -	\$ 2,826,725	\$ -	\$ -
Cash in Banks	21,043	21,043	-	-
Cash on Hand	-	-	-	-
Accounts Receivable, Net	-	10,696	-	-
Due From:				
Federal Government, Net	-	-	-	-
Other State Agencies	-	1,600	-	-
Components of the State	-	1,710	-	-
Local Governments	-	25,250	-	-
Prepaid Expenses - Travel & Per Diem	-	-	-	-
Total Assets	<u>\$ 21,043</u>	<u>\$ 2,887,024</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 226,282	\$ -	\$ -
Accrued Salaries and Benefits Payable	-	10,318	-	-
Unearned Revenue	-	-	-	-
Compensated Absences	-	-	-	-
Due to Federal Government	-	2,541	-	-
Due to Other State Agencies	-	-	-	-
Due to State General Fund	-	-	-	-
Due to Other	-	-	-	-
Other Liabilities	-	484	-	-
Tax Liability on Notes Payable	-	-	-	-
Total Liabilities	-	239,625	-	-
DEFERRED INFLOWS OF RESOURCES				
Amounts Unavailable (Not Received Within Period of Availability)	-	-	-	-
Total Deferred Inflow of Resources	-	-	-	-
FUND BALANCE				
Restricted	21,043	2,647,399	-	-
Unassigned	-	-	-	-
Total Fund Balance	<u>21,043</u>	<u>2,647,399</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 21,043</u>	<u>\$ 2,887,024</u>	<u>\$ -</u>	<u>\$ -</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
 COMBINING BALANCE SHEET – NON-MAJOR
 GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2019**

	<u>Total Capital Projects Funds</u>		<u>Total Non-Major Governmental Funds</u>
\$	-	\$	2,826,725
	-		21,043
	-		-
	-		10,696
	-		-
	-		-
	-		1,600
	-		1,710
	-		25,250
	-		-
	<u>-</u>		<u>2,887,024</u>
\$	-	\$	226,282
	-		10,318
	-		-
	-		-
	-		2,541
	-		-
	-		-
	-		-
	-		484
	-		-
	<u>-</u>		<u>239,625</u>
	<u>-</u>		<u>-</u>
	-		2,647,399
	<u>-</u>		<u>-</u>
	<u>-</u>		<u>2,647,399</u>
\$	<u>-</u>	\$	<u>2,887,024</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	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	\$ -	\$ -	\$ -	\$ -
Other Revenues	228,520	-	1,747	3,588
Total Revenues	<u>228,520</u>	<u>-</u>	<u>1,747</u>	<u>3,588</u>
EXPENDITURES				
Public Safety:				
Current:				
Personal Services and Employee	52,732	-	-	-
Benefits	-	-	-	-
Contractual Services	123,428	-	-	-
Other Costs	196,440	-	-	250,000
Capital Outlay	-	-	-	-
Total Expenditures	<u>372,600</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Excess (Deficiency) of Revenues Over Expenditures	(144,080)	-	1,747	(246,412)
OTHER FINANCING SOURCES (USES)				
Other Financing Sources	-	-	-	-
State General Fund - General Appropriations	-	-	-	-
Appropriations:				
Proceeds from Sale of Property	-	-	-	-
Special Appropriations	-	-	-	-
Severance Tax Bond Appropriations	-	-	-	-
Reversions - State General Fund	-	-	-	-
Transfers Out:				
Other	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	(144,080)	-	1,747	(246,412)
Fund Balance - Beginning of Year	849,763	-	-	354,499
FUND BALANCE - END OF YEAR	<u>\$ 705,683</u>	<u>\$ -</u>	<u>\$ 1,747</u>	<u>\$ 108,087</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE – NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2019**

Concealed Handgun Carry Fund (59400)	Orphan Materials Recovery Fund (67000)	Sexual Assault Voluntary Contribution Fund (67950)	Federal Forfeitures Fund US Treasury State Police (71990)	Law Enforcement Advanced Training Fund (78600)	Special Donations Fund (88200)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
707,723	-	8,946	151	134,435	-
<u>707,723</u>	<u>-</u>	<u>8,946</u>	<u>151</u>	<u>134,435</u>	<u>-</u>
250,122	-	-	-	27,973	-
-	-	-	-	-	-
268,174	-	-	-	19,934	-
136,412	-	-	-	51,471	-
5,630	-	-	-	-	-
<u>660,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,378</u>	<u>-</u>
47,385	-	8,946	151	35,057	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>47,385</u>	<u>-</u>	<u>8,946</u>	<u>151</u>	<u>35,057</u>	<u>-</u>
1,395,374	5,029	8,687	-	304,575	5,635
<u>\$ 1,442,759</u>	<u>\$ 5,029</u>	<u>\$ 17,633</u>	<u>\$ 151</u>	<u>\$ 339,632</u>	<u>\$ 5,635</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019**

	Crime Stoppers Reward Fund (89400)	Total Special Revenue Funds	STB Capital Outlay Fund (89200)	GF Capital Outlay Fund (93100)
REVENUES				
Federal Grants	\$ -	\$ -	\$ -	\$ -
Other Revenues	-	1,085,110	-	-
Total Revenues	-	1,085,110	-	-
EXPENDITURES				
Public Safety:				
Current:				
Personal Services and Employee Benefits	-	330,827	-	-
Contractual Services	-	411,536	-	-
Other Costs	-	634,323	899,853	-
Capital Outlay	-	5,630	859,125	-
Total Expenditures	-	1,382,316	1,758,978	-
Excess (Deficiency) of Revenues Over Expenditures	-	(297,206)	(1,758,978)	-
OTHER FINANCING SOURCES (USES)				
Other Financing Sources	-	-	-	-
State General Fund - General Appropriations	-	-	-	-
Appropriations:				
Proceeds from Sale of Property	-	-	-	-
Special Appropriations	-	-	-	-
Severance Tax Bond Appropriations	-	-	1,758,978	-
Reversions - State General Fund	-	-	-	-
Transfers Out:				
Other	-	-	-	-
Total Other Financing Sources	-	-	1,758,978	-
CHANGE IN FUND BALANCE	-	(297,206)	-	-
Fund Balance - Beginning of Year	21,043	2,944,605	-	-
FUND BALANCE - END OF YEAR	\$ 21,043	\$ 2,647,399	\$ -	\$ -

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE – NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
 JUNE 30, 2019**

<u>Total Capital Projects Funds</u>		<u>Total Non-Major Governmental Funds</u>	
\$ -		\$ -	
-		1,085,110	
<u>-</u>		<u>1,085,110</u>	
	-	330,827	
	-	-	
	-	411,536	
899,853		1,534,176	
859,125		864,755	
<u>1,758,978</u>		<u>3,141,294</u>	
	(1,758,978)	(2,056,184)	
	-	-	
	-	-	
	-	-	
1,758,978		1,758,978	
	-	-	
	-	-	
<u>1,758,978</u>		<u>1,758,978</u>	
	-	(297,206)	
	-	2,944,605	
<u>\$ -</u>		<u>\$ 2,647,399</u>	

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND
ACTUAL (MODIFIED ACCRUAL BASIS) – AGENCY WIDE
JUNE 30, 2019**

	Agency Wide Excluding Multi-Year Funds Program Support - P503			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ 4,170,200	\$ 4,170,200	\$ 4,170,200	\$ -
Other Appropriations	-	-	-	-
Federal Funds	3,696,100	3,696,100	1,159,630	2,536,470
Other State Funds	-	-	36,238	(36,238)
Other Financing Sources	-	-	-	-
Total Revenues	7,866,300	7,866,300	5,366,068	\$ 2,500,232
Prior Year Fund Balance Budgeted	-	-		
Total Budgeted Revenues	\$ 7,866,300	\$ 7,866,300		
EXPENDITURES				
Personal Services and Benefits	\$ 4,324,500	\$ 4,114,500	3,242,965	\$ 871,535
Contract Services	152,300	223,300	210,620	12,680
Other	3,389,500	3,528,500	1,420,776	2,107,724
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	\$ 7,866,300	\$ 7,866,300	4,874,361	\$ 2,991,939
Excess (Deficiency) of Revenue Over Expenditures			491,707	
GAAP Basis Reconciliation				
Reversion to State General Fund			(498,523)	
Net Change in Fund Balance			\$ (6,816)	

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND
ACTUAL (MODIFIED ACCRUAL BASIS) – AGENCY WIDE (CONTINUED)
JUNE 30, 2019**

	Agency Wide Excluding Multi-Year Funds Law Enforcement - P504			Variance Favorable (Unfavorable)
	Original Budget	Amended Budget	Actual	
REVENUES				
General Fund Appropriation	\$ 108,309,800	\$ 108,309,800	\$ 107,809,800	\$ 500,000
Other Appropriations	-	-	-	-
Federal Funds	11,416,400	11,416,400	8,669,531	2,746,869
Other State Funds	4,311,200	4,311,200	2,882,941	1,428,259
Other Financing Sources	-	-	(24,062)	24,062
Total Revenues	<u>124,037,400</u>	<u>124,037,400</u>	119,338,210	<u>\$ 4,699,190</u>
Prior Year Fund Balance Budgeted	<u>350,000</u>	<u>350,000</u>		
Total Budgeted Revenues	<u>\$ 124,387,400</u>	<u>\$ 124,387,400</u>		
EXPENDITURES				
Personal Services and Benefits	\$ 94,024,600	\$ 94,024,600	91,008,870	\$ 3,015,730
Contract Services	2,701,100	2,701,100	2,170,031	531,069
Other	27,661,700	27,461,700	24,308,191	3,153,509
Other Financing Uses	-	200,000	196,481	3,519
Total Budgeted Expenditures	<u>\$ 124,387,400</u>	<u>\$ 124,387,400</u>	<u>117,683,573</u>	<u>\$ 6,703,827</u>
Excess (Deficiency) of Revenue Over Expenditures			1,654,637	
GAAP Basis Reconciliation				
Reversion to State General Fund			<u>(58,085)</u>	
Net Change in Fund Balance			<u>\$ 1,596,552</u>	

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND
ACTUAL (MODIFIED ACCRUAL BASIS) – AGENCY WIDE (CONTINUED)
JUNE 30, 2019**

	Agency Wide Excluding Multi-Year Funds Statewide Law Enforcement Support- P786			
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
General Fund Appropriation	\$ 12,523,100	\$ 12,523,100	\$ 12,523,100	\$ -
Other Appropriations	-	-	-	-
Federal Funds	2,933,000	2,933,000	1,223,183	1,709,817
Other State Funds	5,286,300	5,286,300	5,070,887	215,413
Other Financing Sources	-	-	-	-
Total Revenues	<u>20,742,400</u>	<u>20,742,400</u>	<u>18,817,170</u>	<u>\$ 1,925,230</u>
Prior Year Fund Balance Budgeted	<u>690,000</u>	<u>1,151,000</u>		
Total Budgeted Revenues	<u>\$ 21,432,400</u>	<u>\$ 21,893,400</u>		
EXPENDITURES				
Personal Services and Benefits	\$ 11,952,100	\$ 11,952,100	10,703,132	\$ 1,248,968
Contract Services	2,629,300	3,502,600	2,436,205	1,066,395
Other	6,851,000	6,438,700	4,409,224	2,029,476
Other Financing Uses	-	-	-	-
Total Budgeted Expenditures	<u>\$ 21,432,400</u>	<u>\$ 21,893,400</u>	<u>17,548,561</u>	<u>\$ 4,344,839</u>
Excess (Deficiency) of Revenue Over Expenditures			1,268,609	
GAAP Basis Reconciliation				
Reversion to State General Fund			<u>(1,379,552)</u>	
Net Change in Fund Balance			<u>\$ (110,943)</u>	

OTHER INFORMATION – SCHEDULES REQUIRED UNDER 2.2.2 NMAC

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND
 LIABILITIES – AGENCY FUNDS
 JUNE 30, 2019**

	DNA Fund (40200)	Evidence Fund (10560)	Total Agency Funds
ASSETS			
Interest in State General Fund Investment Pool	\$ 126,583	\$ -	\$ 126,583
Cash on Hand	-	178,238	178,238
Total Assets	\$ 126,583	\$ 178,238	\$ 304,821
LIABILITIES			
Assets Held for Others	\$ 126,583	\$ 178,238	\$ 304,821
Total Liabilities	\$ 126,583	\$ 178,238	\$ 304,821

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND
LIABILITIES – AGENCY FUNDS
JUNE 30, 2019**

	Balance June 30, 2018	Additions	(Deductions)	Balance June 30, 2019
DNA FUND (40200)				
ASSETS				
Interest in State General Fund Investment Pool	\$ 203,753	\$ -	\$ (77,170)	\$ 126,583
LIABILITIES				
Assets Held for Others	\$ 203,753	\$ -	\$ (77,170)	\$ 126,583
EVIDENCE FUND (10560)				
ASSETS				
Cash on Hand	\$ 192,338	\$ -	\$ (14,100)	\$ 178,238
LIABILITIES				
Assets Held for Others	\$ 192,338	\$ -	\$ (14,100)	\$ 178,238
TOTAL AGENCY FUNDS				
ASSETS				
Interest in State General Fund Investment Pool	\$ 203,753	\$ -	\$ (77,170)	\$ 126,583
Cash on Hand	192,338	-	(14,100)	178,238
Total Assets	\$ 396,091	\$ -	\$ (91,270)	\$ 304,821
LIABILITIES				
Assets Held for Others	\$ 396,091	\$ -	\$ (91,270)	\$ 487,361
Total Liabilities	\$ 396,091	\$ -	\$ (91,270)	\$ 304,821

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SUPPLEMENTAL SCHEDULE OF SEVERANCE TAX BONDS
JUNE 30, 2019**

<u>Laws</u>	<u>Chapter</u>	<u>Bonds Appropriated</u>	<u>Bonds Sold</u>	<u>Unaudited Funds Received Prior Years</u>	<u>Funds Received Current Year</u>
2016	5	\$ 3,218,000	\$ 3,218,000	\$ 1,427,084	\$ 1,758,978
2018	80	11,172,000	11,172,000	-	-
		<u>\$ 14,390,000</u>	<u>\$ 14,390,000</u>	<u>\$ 1,427,084</u>	<u>\$ 1,758,978</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
 SUPPLEMENTAL SCHEDULE OF SEVERANCE TAX BONDS (CONTINUED)
 JUNE 30, 2019**

Unaudited Expenditures Prior Years	Expenditures Current Year	Expended to Date	Balance Available	Due from Board of Finance
\$ 1,427,085	\$ 1,758,978	\$ 3,186,063	\$ 31,937	\$ -
-	-	-	11,172,000	-
<u>\$ 1,427,085</u>	<u>\$ 1,758,978</u>	<u>\$ 3,186,063</u>	<u>\$ 11,203,937</u>	<u>\$ -</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SUPPLEMENTAL SCHEDULE OF SPECIAL APPROPRIATIONS
JUNE 30, 2019**

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

Special Appropriation	<u>Program Area</u>	<u>Fund Department</u>	<u>Reversion Date*</u>	<u>Amount Appropriated</u>	<u>Amount Budgeted</u>
Laws 2015, Chapter 101, Section 7, item 024 - for the planning phase to implement a records management system. Re-authorized per Laws 2018, 2nd Session, Chapter 73, Section 7, item 031.	P504-LEP	12800/Z50724	June 30, 2019	\$ 250,000	\$ 250,000
Laws 2016, Chapter 11, Section 5, Item 47 - for processing backlogged rape kits at the department. Re-authorized per Laws 2018, 2nd Session, Chapter 73, Section 5, item 100.	P786 - SLES	12800/ZA0547	June 30, 2019	1,200,000	1,200,000
Laws 2016, 2nd Session, Chapter 11, Section 7, Item 20 - for enhancing the consolidated offender query data base for criminal history clearinghouse. Re-authorized per Laws 2018, 2nd Session, Chapter 73, Section 7, item 030.	P786 - SLES	12800/ZA0720	June 30, 2020	150,000	150,000
Laws 2018, 2nd Session, Chapter 73, Section 98 - for the establishment of a flash roll to be used in criminal investigations by the New Mexico State Police. Re-Authorized per Laws 2019, 1st Session, Chapter 271, Section 5, Item 95.	P504-LEP	12800/ZC5598	June 30, 2020	100,000	100,000
Laws 2018, 2nd Session, Chapter 73, Section 5, Item 101 -to conduct investigations and aid in the prosecution of criminal cases in the New Mexico State Police.	P504-LEP	12800/ZC5601	June 30, 2019	728,400	728,400
Laws 2018, 2nd Session, Chapter 73, Section 37, Item 32 - to implement a commercial off-the-shelf records management system.	P504-LEP	12800/ZC7032	June 30, 2020	1,500,000	539,378
Laws 2019, 1st Session, Chapter 271, Section 5, Item 96-To purchase lapel cameras for state police officers.	P504-LEP	12800/ZD5096	June 30, 2020	3,100,000	-
Laws 2019, 1st Session, Chapter 271, Section 5, Item 97-To purchase police vehicles for state police officers.	P504-LEP	12800/ZD5097	June 30, 2020	1,500,000	-
Law 2019, 1st Session, Chapter 279, Section 58-for equipment for the traffic reconstruction unit for reconstruction of traffic accidents.	P504-LEP	12800/ZD9296	June 30, 2020	50,000	-
Laws 2019, 1st Session, Chapter 279, Section 23A, Item 1-to purchase fingerprint machines to cover the state and to ensure that the machines connect to the department.	P786-SLES	12800/ZD9105	June 30, 2020	300,000	300,000
Laws 2019, 1st Session, Chapter 279, Section 23A, Item 2-for computer upgrades at the New Mexico law enforcement academy.	P786-SLES	12800/ZD9106	June 30, 2020	75,000	75,000
Total Special Appropriations				<u>\$ 8,953,400</u>	<u>\$ 3,342,778</u>

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

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SUPPLEMENTAL SCHEDULE OF SPECIAL APPROPRIATIONS
(CONTINUED)
JUNE 30, 2019**

<u>Funds Received Current Year</u>	<u>Unaudited Fund Received Prior Years</u>	<u>Total Funds Received</u>	<u>Unaudited Expenditures Prior Years</u>	<u>Expenditures Current Year</u>	<u>Total Expenditures</u>	<u>Funds Reverted</u>	<u>Appropriation Balance</u>
\$ -	\$ 250,000	\$ 250,000	\$ 47,292	\$ 202,708	\$ 250,000	\$ -	\$ -
-	1,200,000	1,200,000	892,173	222,950	1,115,123	84,877	-
-	150,000	150,000	-	150,000	150,000	-	-
-	100,000	100,000	-	-	-	-	100,000
-	728,400	728,400	63,026	-	63,026	665,374	-
-	539,378	539,378	-	63,925	63,925	-	475,453
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
300,000	-	300,000	-	-	-	-	300,000
75,000	-	75,000	-	-	-	-	75,000
<u>\$ 375,000</u>	<u>\$ 2,967,778</u>	<u>\$ 3,342,778</u>	<u>\$ 1,002,491</u>	<u>\$ 639,583</u>	<u>\$ 1,642,074</u>	<u>\$ 750,251</u>	<u>\$ 950,453</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SUPPLEMENTAL SCHEDULE OF INDIVIDUAL
BANK ACCOUNTS
JUNE 30, 2019**

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
Wells Fargo Bank	NM State Police Investigations Contingency	12800
Wells Fargo Bank	NMSP HIDTA Confidential Funds	12800
Cash on Hand	Petty Cash and Change Funds	12800
Cash on Hand	Flash Roll	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	Sexual Assault Evidence Kit (SAEK) Fund	67950
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
Cash on Hand	Federal Forfeitures Fund - USDOJ	34300
Bank of America	Crime Stoppers Reward Fund	89400
Total Special Revenue Funds		
Capital Projects:		
New Mexico State Treasurer	STB Capital Outlay Fund	89200
Total Capital Projects Funds		
Total Governmental Fund Types		
Fiduciary Fund Types		
Agency Funds:		
New Mexico State Treasurer	DNA Fund	40200
Cash on Hand	Evidence Fund	10560
Total Agency Funds		
Total Cash		

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SUPPLEMENTAL SCHEDULE OF INDIVIDUAL
BANK ACCOUNTS (CONTINUED)
JUNE 30, 2019**

Type of Account	Interest Bearing	Bank Balance at June 30, 2019	Reconciled Balance at June 30, 2019
State Treasury	No	\$ 7,612,796	\$ 7,612,796
Checking	No	29,753	50,000
Checking	No	33,518	50,000
Checking	Yes	73,466	100,000
Checking	No	10,000	10,000
Cash on Hand	N/A	-	250
Cash in Vault	N/A	100,000	100,000
Checking	Yes	5,332	5,332
		<u>7,864,865</u>	<u>7,928,378</u>
State Treasury	No	736,295	736,295
State Treasury	No	-	-
State Treasury	No	3,821	3,821
State Treasury	No	108,087	108,087
State Treasury	No	1,620,794	1,620,794
State Treasury	No	5,029	5,029
State Treasury	No	17,633	17,633
State Treasury	No	618	618
State Treasury	No	328,813	328,813
State Treasury	No	5,635	5,635
Cash in Vault	N/A	-	-
Checking	No	21,043	21,043
		<u>2,847,768</u>	<u>2,847,768</u>
State Treasury	No	-	-
		<u>-</u>	<u>-</u>
		10,712,633	10,776,146
State Treasury	No	126,583	126,583
Cash in Vault	N/A	-	178,238
		<u>126,583</u>	<u>304,821</u>
		<u>\$ 10,839,216</u>	<u>\$ 11,080,967</u>

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SUPPLEMENTAL SCHEDULE OF JOINT
POWERS AGREEMENTS
JUNE 30, 2019**

<u>Type</u>	<u>Contractor</u>	<u>FY19 Amount</u>
JPA	State Fair Commission	\$ 180,000.00
MOA	Southern NM State Fair	\$ 18,000.00
MOU	NM Judicial Education Center, School of Law UNM	\$ 85.00/hour
MOU	NM EXPO	\$ 49.00/hour
MOU	Santa Fe Community Foundation	\$ 150,000.00

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
 SUPPLEMENTAL SCHEDULE OF JOINT
 POWERS AGREEMENTS (CONTINUED)
 JUNE 30, 2019**

<u>Description Services</u>	<u>Effective Date</u>	<u>End Date</u>	<u>Program</u>
Provide security/law enforcements services for 2017 State Fair Events	6/21/2018	2/28/2019	NMSP
Provide officers and DPS dispatchers for the purpose of traffic control law enforcement services	9/17/2018	11/1/2018	NMSP
Provide officers for security purposes at the judges conference	2/1/2019	12/31/2019	NMSP
Provide additional services during special events taking place at the EXPO	7/1/2018	6/30/2020	NMSP
Provide law enforcement services for special event	7/9/2018	7/23/2018	NMSP

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SINGLE AUDIT

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Federal Agency Name/ Federal Program Title	Pass Through Agency	Federal CFDA Number
Direct Assistance Programs		
U.S. Department of Justice Bureau of Justice Assistance:		
Crime Victims Assistance	None	16.575
Crime Victims Assistance	None	16.575
Total 16.575		
Residential Substance Abuse Treatment of State Prisoners		
PREA Program: Demonstration Projects to Establish "Zero Tolerance"	None	16.593
Cultures of Sexual Assault		
Cultures of Sexual Assault in Correctional Facilities	None	16.735
Edward Byrne Memorial Justice Assistance Grant Program		
Edward Byrne Memorial Justice Assistance Grant Program	None	16.738
Edward Byrne Memorial Justice Assistance Grant Program	None	16.738
Edward Byrne Memorial Justice Assistance Grant Program	None	16.738
Edward Byrne Memorial Justice Assistance Grant Program	None	16.738
Total 16.738		
National Sexual Assault Kit Initiative		
	None	16.833
U.S. Department of Justice Office of Justice Programs Bureau of Justice Statistics:		
NM NCS_X Transition Planning Project - Special Data Collections and Statistical Studies	None	16.734
U.S. Department of Justice National Institute of Justice:		
DNA Backlog Reduction Program	None	16.741
Paul Coverdell Forensic Sciences Improvement Grant Program		
Paul Coverdell Forensic Sciences Improvement Grant Program	None	16.742
Total 16.742		
U.S. Dept. of Office of Sex Offenders Sentencing, Monitoring, Apprehending, Registering, and Tracking:		
Support for Adam Walsh Act Implementation Grant Program	None	16.750
Support for Adam Walsh Act Implementation Grant Program	None	16.750
Support for Adam Walsh Act Implementation Grant Program	None	16.750
Total 16.750		

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Pass-Through Entity Identifying Number	Passed Through to Sub-recipients	Expenditures		Total
		From Direct Awards	From Pass Through Awards	
2018-VA-641	-	32,186	-	32,186
2019-VA-747	-	91,698	-	91,698
	-	123,884	-	123,884
2016-RT-BX-0038	38,799	42,780	-	42,780
	-	-	-	-
PREA2015-RP-BX-0011ADMIN	56,647	56,647	-	56,647
2014-DJ-BX-1204	966	63,245	-	63,245
2015-DJ-BX-0670	42,532	66,132	-	66,132
2016-DJ-BX-0443	48,064	58,308	-	58,308
2017-DJ-BX-0192	493,747	1,198,666	-	1,198,666
17-JAG-REG3-SFY19	-	25,455	-	25,455
	585,309	1,411,806	-	1,411,806
2016-AK-BX-K007	-	250,337	-	250,337
2017-MU-CX-K046	-	111,324	-	111,324
2016-DN-BX-0106	-	215,647	-	215,647
2017-CD-BX-0036	54,593	54,593	-	54,593
2018-CD-BX-0044	17,753	94,100	-	94,100
	72,346	148,693	-	148,693
2016-AW-BX-0008	39,365	39,365	-	39,365
2017-AW-BX-0012	118,654	118,654	-	118,654
2018-AW-BX-0007	35,025	62,695	-	62,695
	193,044	220,714	-	220,714

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Federal Agency Name/ Federal Program Title	Pass Through Agency	Federal CFDA Number
U.S. Department of Transportation:		
Federal Motor Carrier Safety Administration (FMCSA):		
FY2017 MCSAP Award	None	20.218
FMCSA - Commercial Vehicle Information Systems and Networks	None	20.237
Total FMCSA		
National Highway Traffic Safety Administration (NHTSA):		
Highway Safety Cluster		
State and Community Highway Safety	NMDOT	20.600
State and Community Highway Safety	NMDOT	20.600
Total 20.600		
State Traffic Safety Information System Improvement Grants	NMDOT	20.610
National Priority Safety Programs	NMDOT	20.616
National Priority Safety Programs	NMDOT	20.616
National Priority Safety Programs	NMDOT	20.616
National Priority Safety Programs	NMDOT	20.616
Total 20.616		
Total Highway Safety Cluster		
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	NMDOT	20.608
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	NMDOT	20.608
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	NMDOT	20.608
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	NMDOT	20.608
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	NMDOT	20.608
Total 20.608		
U.S. Department of Transportation :		
U.S. Department of Energy:		
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant States and Tribal Concerns, Proposed Solutions	NMEMNRD	81.106
Executive Office of the President:		
High Intensity Drug Trafficking Areas Program	None	95.001
U.S. Department of Homeland Security:		
Interagency Hazardous Materials Public Sector Training and Planning Grants	NMDHSEM	20.703
Homeland Security Grant Program	Dona Ana Cty	97.067
Homeland Security Grant Program	Dona Ana Cty	97.067
Homeland Security Grant Program	Luna Cty	97.067
Homeland Security Grant Program	Luna Cty	97.067
Homeland Security Grant Program	Hidalgo Cty	97.067
Homeland Security Grant Program	Hidalgo Cty	97.067
Total 97.067		
Total Federal Financial Assistance		

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Pass-Through Entity Identifying Number	Passed Through to Sub-recipients	Expenditures		Total
		From Direct Awards	From Pass Through Awards	
FM-MCG-0345-17	-	3,348,229	-	3,348,229
FM-CVN-0131-16-01-00	-	651,411	-	651,411
	-	3,999,640	-	3,999,640
18-ST-02-071	-	-	54,791	54,791
19-OP-RF-071	-	-	77,682	77,682
	-	-	132,473	132,473
DPS16DOTTRACS	-	-	361,132	361,132
17-ID-05d-P28	-	-	505,097	505,097
18-ID-05d-P06	-	-	79,242	79,242
18-ID-05d-071	-	-	218,145	218,145
19-ID-05d-071	-	-	328,362	328,362
	-	-	1,130,846	1,130,846
	-	-	1,624,451	1,624,451
17-AL-64-P23	-	-	637,192	637,192
18TSWARSUI-TS04367	-	-	42,223	42,223
19-AL-64-P03	-	-	79,461	79,461
19-AL-64-071	-	-	80,643	80,643
18-AL-64-071	-	-	46,840	46,840
	-	-	886,359	886,359
	-	3,999,640	2,510,810	6,510,450
DE-EM0004167	-	-	148,945	148,945
G17SN0005A	-	891,567	-	891,567
HM-HMP-0579-16-01-00	-	-	26,250	26,250
16SGDONAMT	-	-	40,545	40,545
7900125	-	-	45,824	45,824
7900069	-	-	70,767	70,767
7900115	-	-	191,118	191,118
16SGHIDLGO	-	-	6,970	6,970
7900113	-	-	202,559	202,559
	-	-	557,783	557,783
	\$ 889,498	\$ 7,416,392	\$ 3,243,788	\$ 10,716,827

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019
(SEE ACCOMPANYING INDEPENDENT AUDITORS' REPORT)**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the New Mexico Department of Public Safety under programs of the federal government for the year ended June 30, 2019. 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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Department did utilize the *10 percent de minimus* indirect cost rate. The Department did not receive noncash federal assistance.

NOTE 3 RECONCILIATION OF FEDERAL AWARDS

Statement of revenues, expenditures, and changes in fund balances:

Federal Revenue	\$ 11,056,170
Change in Deferred Inflows of Resources	(554,409)
Other Adjustments	<u>215,066</u>
	\$ 10,716,827
Supplemental Schedule of Expenditures of Federal Awards	<u><u>\$ 10,716,827</u></u>



**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***

Mr. Mark Shea
New Mexico Department of Public Safety
and Mr. Brian Colón, New Mexico State Auditor
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the general fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund of the of New Mexico Department of Public Safety, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise New Mexico Department of Public Safety's basic financial statements, and have issued our report thereon dated November 21, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Mexico Department of Public Safety'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 New Mexico Department of Public Safety's internal control. Accordingly, we do not express an opinion on the effectiveness of New Mexico Department of Public Safety'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 have not been 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 2019-001 and 2019-002 that we consider to be significant deficiencies.

Mr. Mark Shea
New Mexico Department of Public Safety
and Mr. Brian Colón, New Mexico State Auditor

Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Mexico Department of Public Safety's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2019-003, 2019-004, and 2019-005.

New Mexico Department of Public Safety's Response to Findings

New Mexico Department of Public Safety's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. New Mexico Department of Public Safety'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 21, 2019



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

Mr. Mark Shea
New Mexico Department of Public Safety
and Mr. Brian Colón, New Mexico State Auditor
Santa Fe, New Mexico

Report on Compliance for Each Major Federal Program

We have audited New Mexico Department of Public Safety's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of New Mexico Department of Public Safety's major federal programs for the year ended June 30, 2019. New Mexico Department of Public Safety's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of New Mexico Department of Public Safety's major federal programs based on our audit 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 New Mexico Department of Public Safety'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 New Mexico Department of Public Safety's compliance.

Opinion on Each Major Federal Program

In our opinion, New Mexico Department of Public Safety 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, 2019.

Mr. Mark Shea
New Mexico Department of Public Safety
and Mr. Brian Colón, New Mexico State Auditor

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001. Our opinion on each major federal program is not modified with respect to these matters.

New Mexico Department of Public Safety's response to the noncompliance findings identified in our audit is described in the accompanying [insert name of document containing management's response to the auditors' findings; for example, schedule of findings and questioned costs]. New Mexico Department of Public Safety's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of New Mexico Department of Public Safety 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 New Mexico Department of Public Safety'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 New Mexico Department of Public Safety'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 a 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-001, that we consider to be significant deficiencies.

New Mexico Department of Public Safety's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. New Mexico Department of Public Safety's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Mr. Mark Shea
New Mexico Department of Public Safety
and Mr. Brian Colón, New Mexico State Auditor

The purpose of this report on internal control over 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 21, 2019

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? x yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
20.608	Minimum Penalties for Repeat Offenders – DWI
95.001	High Intensity Drug Trafficking Areas Program
20.600/20.610/20.616	Highway Safety Cluster

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000
- Auditee qualified as low-risk auditee? x yes _____ no

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section II – Prior Year Findings

FINDING		STATUS
2018-001	Use of State Issued Gas Credit Cards (Other Noncompliance)	REPEATED AND MODIFIED as finding 2019-004
2018-002	Procurement Process (Other Noncompliance)	REPEATED AND MODIFIED as finding 2019-003
2018-003	Lack of Completion of Capital Asset Inventory (Other Noncompliance)	RESOLVED

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section III – Financial Statement Findings

2019 – 001 Preparation and Reconciliation of the Schedule of Expenditures of Federal Awards (Significant Deficiency)

Condition: During single audit testwork, we encountered the following matters pertaining to the Schedule of Expenditures of Federal Awards (SEFA):

1. Mapping of project ID to CFDA number was not correct, which impacted the reporting of expenditures, by program on the initial SEFA provided. Subsequent versions provided also contained mapping issues. The identified mapping issues were corrected in the SEFA presented in the financial statements.
2. Multiple versions of the SEFA were provided, along with multiple analyses of federal activity to fairly state the ending federal receivable balance. The SEFA and related federal activity was ultimately reconciled to an immaterial amount, but the deliverables were delayed, which resulted in the inability to submit the audited financial statements by the statutorily required deadline.

Criteria or specific requirement: FIN 16.9 “Responsibility for Accounting Function – Chief Financial Officer Delegation Requirements” and NMAC 2.20.5.8 (C) (10) state that all reporting of financial information must be timely, complete, and accurate. Additionally, Title 2 CFR §200.510 (b) Financial Statements states, “The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended.”

Context: Multiple versions were received during the audit and multiple reconciliations were required.

Effect: The timing of audit deliverables caused a delay in meeting audit milestones and submission to the NM Office of the State Auditor by the regulatory due to date.

Cause: The Department has not had consistent personnel to assist with the rollforward preparation and the Department does not have a process in place to review activity on a regular basis throughout the year to assist with timeliness.

Recommendation: We recommend the Department ensure key staff involved in grant management are trained in the full grant reconciliation process, including preparation of the SEFA. We also recommend individual grant reconciliations for federal programs are reconciled on a monthly basis and include communication with program staff to ensure all aspects of program activity are captured.

Views of responsible officials and planned corrective actions:

1. Management concurs with the finding related to mapping of project identification numbers. The awards in error were established in the SHARE system in fiscal year 2017. During fiscal year 2017, new staff were in the positions of both the Grants Management Analyst and the Accountant Auditor Advanced. The CFDA number was discovered to be incorrect on internal project set up forms.

DPS Accounts staff have developed a process where the Accountant Auditor Advanced will validate the signature review from the Grant Management Supervisor and Accounting Supervisor. The Accountant Auditor Advanced then will validate against beta.SAM.gov and

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

a copy of the federal grant award before completing the final approval of the project CFDA number in the SHARE Grants Module.

Section III – Financial Statement Findings (Continued)

2019 – 001 Preparation and Reconciliation of the Schedule of Expenditures of Federal Awards (Significant Deficiency) (Continued)

Views of responsible officials and planned corrective actions (Continued):

2. Management concurs with the finding related to multiple versions of the SEFA. DPS started using the SHARE Grants Module in July 2006. In fiscal year 2009, the Department was utilizing the Grants Module for budget tracking to avoid over expenditure of all grants. During fiscal year 2009, staff started exploring other capabilities of the module to enhance and streamline the management and reconciliation of grants and projects. Based on staff needs, the Department started customization of the module in February 2013 which continued through January of 2018.

The fiscal year ending balance from 2018 did not rollforward to the fiscal year 2019 beginning balances. During this audit cycle, staff was unable to validate its customized SEFA report query to the General Ledger. The General Ledger is the state's official book of record. Upon discovery of the inconsistency with the customized SEFA report, the Accounting Section began to validate all grant expenditures and grant revenues. Staff validated all current year grant revenues, expenditures and outstanding accounts receivables for fiscal year 2019. Staff identified accounts receivable balances that contained blank project identification numbers and manually reconciled each blank account receivable journal to find the associated project identification numbers. This manual reconciliation led into reviewing fiscal year 2018 and 2017 activity using the same methodology.

Moving forward, on a monthly basis the Accountant Auditor Advanced and Accounting Supervisor will identify all blank projects and effect correction action needed to identify all associated projects grant identification numbers. The Accountant Auditor Advanced and Accounting Supervisor have implemented a SEFA review that will begin with July 1, 2019 through December 31st, 2019 and will continue quarterly. In addition, the Accountant Auditor Advance and Accounting Supervisor are maintaining a Billing Invoice Tracking Spreadsheet. The Billing Tracking identifies a grant billing amount, money received by project identification number by award and accounts receivable general ledger journal identification number. This tracking spreadsheet is reconciled to the general ledger on a monthly basis to ensure that all monies received are properly identified to a project identification number.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section III – Financial Statement Findings (Continued)

2019 – 002 Lack of Adequate Controls Over Capital Asset Management and Reconciliation (Significant Deficiency)

Condition: During our testwork over capital assets, we noted the following:

1. When the Department completed its physical inventory in September 2018, assets could not be physically located and may have been disposed of during the year or in prior years. The Department was not able to find disposal notifications for these un-located items. However, these assets remained on the Department's capital asset listing as of June 30, 2019 with an accumulated net book value of approximately \$200k.
2. During our testwork over asset additions, out of 18 items sampled, 10 had an incorrect VIN or Unit # associated with the individual asset. Additionally, we identified a VIN by review of an invoice, but that VIN is not associated with any asset on the asset listing.

Criteria or specific requirement: FIN 16.9 "Responsibility for Accounting Function – Chief Financial Officer Delegation Requirements" and NMAC 2.20.5.8 (C) (10) state that all reporting of financial information must be timely, complete, and accurate. Additionally, sections 13-6-1 and 13-6-2 NMSA 1978 govern the disposition of tangible personal property owned by state agencies which requires notification to be submitted to the NM Office of the State Auditor at least 30 days prior to disposition of property on the Department's capital asset inventory list.

Context: We identified these matters during testwork over capital assets.

Effect: The Department's capital assets could be overstated by accounting for assets it no longer has under its physical custody. Additionally, this lack of effective reconciliation process could lead to asset misappropriation.

Cause: Lack of complete reconciliation of capital assets during the year based on results of the physical inventory.

Recommendation: We recommend the Department work within its current staffing capacity to conduct annual inventory observations throughout the fiscal year and follow through with the full reconciliation or disposal process to ensure capital asset balances are fairly stated.

Views of responsible officials and planned corrective actions:

1. Management concurs with the finding related to physical inventory that could not be located remaining on the list as of June 30, 2019. When the physical inventory was completed, and all inventory reports were submitted back to the Accounting Section, the Accounting Supervisor, Financial Analyst Advanced, Accountant Auditor Advanced, and the Management Analyst Operations all participated in entering the inventory information into Asset Keeper. Based on the volume of information this was not completed until mid-July 2019. Due to lack of staffing and multiple priorities to include the Law Enforcement Program Reorganization which lasted from April through August; the Accounting staff was unable to follow up on unlocated items.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section III – Financial Statement Findings (Continued)

**2019 – 002 Lack of Adequate Controls Over Capital Asset Management and Reconciliation
(Significant Deficiency) (Continued)**

Views of responsible officials and planned corrective actions (Continued):

The agency is currently putting together an Capital Asset Committee consisting of Accounting Staff, Grants Management Staff, and staff from other divisions to implement processes and procedures to accurately maintain asset inventory. The Capital Asset Committee will work on locating the missing assets, compiling a list of items that have been physically disposed of for submission to the Department of Finance and Administration and the Office of the State Auditor for approval to remove from the asset listing. Once this disposal is complete the agency will conduct a new inventory and assign new asset inventory tags to each item.

2. Management concurs with the finding related to incorrect VIN or unit number on agency vehicles. During the fiscal year the agency purchased One Hundred and Forty (140) vehicles. Of those vehicles there is occasionally an exchange of vehicles for one reason or another, when this happens the vendor does not provide an updated invoice with new VIN numbers. The Fleet Business Operations Specialist sends a list of all vehicles purchased during the year to the accounting staff for entry into the asset system. These vehicles along with all other assets purchased during the year are entered into the asset system at the end of the fiscal year. With the short amount of time to enter assets and the large amount of information needing to be entered, this was human error. The Accounting section will put a second review process into place.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section III – Financial Statement Findings (Continued)

2019 – 003 (Previously 2018-002/2017-003) Procurement Process (Matter that does not rise to the level of a significant deficiency/Noncompliance with Manual of Model Accounting Practices (MAPS))

Condition: The Department disclosed to us it had multiple procurement process violations throughout the fiscal year. The Department provided its summary, along with the respective correspondence with the Department of Finance and Administration.

Management's progress toward prior year corrective action plan:

The Department hired a Chief Procurement Officer in January 2019 and she resigned on June 28, 2019. The role of the Chief Procurement Officer was held by the Deputy Finance Director during an open recruitment search. The Department has strived to obtain purchases with valid purchase orders in place. A new Chief Procurement Officer was hired on November 2, 2019, with a current Chief Procurement Certificate. The Department is working in collaboration with the State Purchasing Division to review all open state-wide price agreements, contracts and agency specific purchase orders to ensure a procurement vehicle is in place prior to services rendered.

Criteria or specific requirement: Section 6-5-3 NMSA 1978 and DFA's MAPs FIN 4.1 requires encumbrances, purchase orders, and contracts to be in place before expenses are incurred in relation to a contract.

Context: The Department brought this to our attention and provided the detail for our review.

Effect: Although the Department was able to address parts of this prior year finding, violations still took place pertaining to purchases made without following the appropriation purchase process outlined by MAPS. The total of these violations was approximately \$3.5 million.

Cause: Lack of complete adherence to the NM Procurement Code and MAPS.

Repeat Finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2018-002.

Recommendation: We recommend the Department re-train employees on all aspects of the NM Procurement Code and the procurement process outlined in MAPS.

Views of responsible officials and planned corrective actions:

Management concurs with the findings regarding procurement violations. The Department has required all Purchasing Agents in Finance to attend State Purchasing Procurement 101 and Department of Finance and Administration 101 trainings. A new Chief Procurement Officer was hired on November 2, 2019. The Department is working in collaboration with the State Purchasing Division to review all open state-wide price agreements, contracts and agency specific purchase orders to ensure a procurement vehicle is in place prior to services rendered.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section III – Financial Statement Findings (Continued)

2019 – 004 (Previously 2018-001) Use of State Issued Gas Credit Cards (Noncompliance with NM State Audit Rule)

Condition: During our testwork over gas cards, which had approximately 132,000 transactions that amounted to approximately \$3.8 million, we identified the matters below. In the instances below, the Department did not provide supporting documentation to substantiate the allowability of the purchase, so the description for services is based on the detail from the gas card reports from Wright Express. This description, on the surface, is not an allowable purchase.

- Service – 2 transactions which amounted to \$41
- Food – 6 transactions which amounted to \$36.57
- Oil – 1 transaction which amounted to \$6
- Other – 105 transactions which amounted to \$1,728.19

Management’s Response to Repeat Finding:

The Department has already implemented new processes surrounding the use of the gas cards whereby employees are required to obtain a receipt when they have to go into the store for the purchase and will continue to educate employees throughout the Department.

Criteria or specific requirement: The New Mexico Administrative Code 1.5.3 and guidance issued by the NM General Services Department outlines authorized and unauthorized use of the gas cards.

Context: We reviewed the WEX reports for the Department’s activity and analyzed transactions that had descriptions that were unauthorized by the NM General Services Department.

Effect: Noncompliance with NMAC and guidance issued by NM General Services Department.

Cause: Lack of internal policy requiring employees to maintain receipts for the use of the cards and provided to the vehicle coordinator during the monthly reconciliation process.

Repeat Finding: The finding is a repeat of a finding in the immediately prior year. Prior year finding number was 2018-001.

Recommendation: We are aware the Department has already implemented new processes surrounding the use of the gas cards whereby employees are required to obtain a receipt when they have to go into the store for the purchase, rather than getting the receipt at the gas pump. We recommend the Department continue to work with employees and ensure the fleet coordinator continues this in the monthly reconciliation and review process.

Views of responsible officials and planned corrective actions:

Management agrees with the finding related to unauthorized purchases. The State Police addresses these purchases with the officers as they occur through the Internal Affairs Office.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section III – Financial Statement Findings (Continued)

2019 – 005 Late Submission of Audit Report (Noncompliance with NM State Audit Rule)

Condition: The Department did not submit its audited financial statements by the regulatory deadline of November 1, 2019 for State Agencies.

Criteria or specific requirement: Section 2.2.2.9 A. of the New Mexico State Audit Rule outlines the due date as November 1, 2019.

Context: Delay in audit deliverables caused delayed submission.

Effect: The Department is not in compliance with the NM State Auditor's required deadline.

Cause: Delays in preparation of final reconciliation and rollforward of federal activity, specifically related to the year-end federal receivable balance.

Recommendation: We recommend the Department evaluate its reconciliation process on a more regular basis throughout the year to assist with final, year-end processes.

Views of responsible officials and planned corrective actions:

Management concurs with the finding related to late submission of the audit. The fiscal year ending balance from 2018 did not rollforward to the fiscal year 2019 beginning balances. During this audit cycle, staff was unable to validate its customized SEFA report query to the General Ledger. The General Ledger is the state's official book of record. Upon discovery of the inconsistency with the customized SEFA report, the Accounting Section began to validate all grant expenditures and grant revenues. Staff validated all current year grant revenues, expenditures, and outstanding accounts receivables for fiscal year 2019. Staff identified accounts receivable balances that contained blank project identification numbers and manual reconciled each blank account receivable journal to find the associated project identification numbers. This manual reconciliation lead into reviewing fiscal year 2018 and 2017 activity using the same methodology.

Moving forward, on a monthly basis the Accountant Auditor Advanced and Accounting Supervisor will identify all blank projects and effect correction action needed to identify all associated projects grant identification numbers. The Accountant Auditor Advanced and Accounting Supervisor have implemented a SEFA review that will begin with July 1, 2019 through December 31st, 2019 and will continue quarterly. In addition, the Accountant Auditor Advance and Accounting Supervisor are maintaining a Billing Invoice Tracking Spreadsheet. The Billing Tracking identifies a grant billing amount, money received by project identification number by award and accounts receivable general ledger journal identification number. This tracking spreadsheet is reconciled to the general ledger on a monthly basis to ensure that all monies received are properly identified to a project identification number.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section IV – Findings and Questioned Costs – Major Federal Programs

2019 – 001 Preparation and Reconciliation of the Schedule of Expenditures of Federal Awards (Significant Deficiency)

Federal agency: U.S. Department of Transportation

Federal program title: Highway Safety Cluster

CFDA Number: 20.616

Passed through the NM Department of Transportation

Pass-Through Number(s): 17-ID-05d-P28, 18-ID-05d-P06

Award Period: October 1, 2017 – September 30, 2019

Criteria or specific requirement: FIN 16.9 “Responsibility for Accounting Function – Chief Financial Officer Delegation Requirements” and NMAC 2.20.5.8 (C) (10) states that all reporting of financial information must be timely, complete, and accurate. Additionally, Title 2 CFR §200.510 (b) Financial Statements states, “The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended.”

Condition: During single audit testwork, we encountered the following matters pertaining to the Schedule of Expenditures of Federal Awards (SEFA):

1. Mapping of project ID to CFDA number was not correct, which impacted the reporting of expenditures by program on the initial SEFA provided. Subsequent versions provided also contained mapping issues. The identified mapping issues were corrected in the SEFA presented in the financial statements.
2. Multiple versions of the SEFA were provided, along with multiple analyses of federal activity to fairly state the ending federal receivable balance. The SEFA and related federal activity was ultimately reconciled to an immaterial amount, but the deliverables were delayed with resulted in the inability to submit the audited financial statements by the statutorily required deadline.

Questioned costs: None

Context: Multiple versions were received during the audit and multiple reconciliations were required.

Effect: The timing of audit deliverables caused a delay in meeting audit milestones and submission to the NM Office of the State Auditor by the regulatory due to date.

Cause: The Department has not had consistent personnel to assist with the rollforward preparation and the Department does not have a process in place to review activity on a regular basis throughout the year to assist with timeliness.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section IV – Findings and Questioned Costs – Major Federal Programs (Continued)

2019 – 001 Preparation and Reconciliation of the Schedule of Expenditures of Federal Awards (Significant Deficiency) (Continued)

Recommendation: We recommend the Department ensure key staff involved in grant management are trained in the full grant reconciliation process, including preparation of the SEFA. We also recommend individual grant reconciliations for federal programs are reconciled on a monthly basis and include communication with program staff to ensure all aspects of program activity are captured.

Views of responsible officials:

1. Management concurs with the finding related to mapping of project identification numbers. The awards in error were established in the SHARE system in fiscal year 2017. During fiscal year 2017, new staff were in the positions of both the Grants Management Analyst and the Accountant Auditor Advanced. The CFDA number was discovered to be incorrect on internal project set up forms.

DPS Accounts staff have developed a process where the Accountant Auditor Advanced will validate the signature review from the Grant Management Supervisor and Accounting Supervisor. The Accountant Auditor Advance then will validate against beta.SAM.gov and a copy of the federal grant award before completing the final approval of the project CFDA number in the SHARE Grants Module.

2. Management concurs with the finding related to multiple versions of the SEFA. DPS started using the SHARE Grants Module in July 2006. In fiscal year 2009, the Department was utilizing the Grants Module for budget tracking to avoid over expenditure of all grants. During fiscal year 2009, staff started exploring other capabilities of the module to enhance and streamline the management and reconciliation of grants and projects. Based on staff needs, the Department started customization of the module in February 2013 which continued through January of 2018.

The fiscal year ending balance from 2018 did not rollforward to the fiscal year 2019 beginning balances. During this audit cycle, staff was unable to validate its customized SEFA report query to the General Ledger. The General Ledger is the state's official book of record. Upon discovery of the inconsistency with the customized SEFA report, the Accounting Section began to validate all grant expenditures and grant revenues. Staff validated all current year grant revenues, expenditures, and outstanding accounts receivables for fiscal year 2019. Staff identified accounts receivable balances that contained blank project identification numbers and manual reconciled each blank account receivable journal to find the associated project identification numbers. This manual reconciliation lead into reviewing fiscal year 2018 and 2017 activity using the same methodology.

Moving forward, on a monthly basis the Accountant Auditor Advanced and Accounting Supervisor will identify all blank projects and effect correction action needed to identify all associated projects grant identification numbers. The Accountant Auditor Advanced and Accounting Supervisor have implemented a SEFA review that will begin with July 1, 2019 through December 31st, 2019 and will continue quarterly. In addition, the Accountant Auditor Advance and Accounting Supervisor are maintaining a Billing Invoice Tracking Spreadsheet. The Billing Tracking identifies a grant billing amount, money received by project identification number by award and accounts receivable general ledger journal identification number. This tracking spreadsheet is reconciled to the general ledger on a monthly basis to ensure that all monies received are properly identified to a project identification number.

**NEW MEXICO DEPARTMENT OF PUBLIC SAFETY
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2019**

The financial statements presented in this report have been prepared by the independent auditor. However, they are the responsibility of management, as addressed in the Independent Auditors' Report. Management reviewed and approved the financial statements

* * * * *

An exit conference was held with the Department on November 21, 2019, at the Department's offices in Santa Fe, New Mexico. In attendance were:

STATE OF NEW MEXICO DEPARTMENT OF PUBLIC SAFETY:

Mark R. Shea	Cabinet Secretary
Tim Q. Johnson	NMSP Chief/Deputy Secretary
Dr. August M. Fons	Deputy Secretary
Kelly Alzaharna	LEA Director
Melvin Lee	Chief Information Officer
H.L Lovato	TSD Deputy Director
Sylvia Serna	ASD Deputy Director
Jessica Lucero	Chief Financial Officer
AmberRae Quintana	Finance Manager
Louise Riebe	Senior Accountant

CLIFTONLARSONALLEN LLP:

Raul Anaya, CPA, CFE, CGFM, Principal
Laura Beltran-Schmitz, CPA, CFE, CGFM, CICA, Director